

INTERNATIONAL REGULATORY UPDATE 02 – 06 AUGUST 2021

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Green finance: Delegated acts on integration of sustainability in financial firms' procedures and governance published in Official Journal

The following amending delegated acts on fiduciary duties, investment and insurance advice aimed at ensuring that financial firms include sustainability in their procedures and their investment advice to clients have been published in the Official Journal:

- [Commission Delegated Regulation \(EU\) 2021/1255](#) of 21 April 2021 amending Delegated Regulation (EU) No 231/2013 as regards the sustainability risks and sustainability factors to be taken into account by Alternative Investment Fund Managers (AIFMs);
- [Commission Delegated Regulation \(EU\) 2021/1256](#) of 21 April 2021 amending Delegated Regulation (EU) 2015/35 as regards the integration of sustainability risks in the governance of insurance and reinsurance undertakings;
- [Commission Delegated Regulation \(EU\) 2021/1257](#) of 21 April 2021 amending Delegated Regulations (EU) 2017/2358 and (EU) 2017/2359 as regards the integration of sustainability factors, risks and preferences into the product oversight and governance requirements for insurance undertakings and insurance distributors and into the rules on conduct of business and investment advice for insurance-based investment products;
- [Commission Delegated Regulation \(EU\) 2021/1253](#) of 21 April 2021 amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organisational requirements and operating conditions for investment firms; and
- [Commission Delegated Directive \(EU\) 2021/1270](#) of 21 April 2021 amending Directive 2010/43/EU as regards the sustainability risks and sustainability factors to be taken into account for Undertakings for Collective Investment in Transferable Securities (UCITS).

The delegated acts will enter into force on 22 August 2021 and apply from 2 August 2022, with the exception of Delegated Regulation (EU) 2021/1255,

which will apply from 1 August 2022, and Delegated Directive (EU) 2021/1270, which Member States will need to transpose by 31 July 2022 in order for the national measures to apply from 1 August 2022.

MiFID2: Delegated Regulation on organisational requirements and operational conditions for investment firms published in Official Journal

[Commission Delegated Regulation \(EU\) 2021/1254](#) correcting Delegated Regulation (EU) 2017/565 supplementing the second Markets in Financial Instruments Directive (MiFID2) as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive has been published in the Official Journal. Amongst other errors in Delegated Regulation 2017/565, Delegated Regulation 2021/1254 is intended to correct a requirement in Article 1(1) that Article 59(4), Article 60 and Chapter IV apply.

Delegated Regulation 2021/1254 will enter into force on 22 August 2021.

Benchmarks Regulation: EU Commission consults on designating statutory replacement rates for EONIA and CHF LIBOR

The EU Commission has launched two consultations on its draft implementing acts for the designation of statutory replacement rates for EONIA and CHF LIBOR.

The [first draft implementing act](#) designates a statutory replacement for EONIA to be used in legacy contracts that do not contain suitable fallback provisions. The statutory replacement for EONIA reflects recommendations from the Working Group on Euro Risk-Free Rates and is based on €STR plus the fixed spread adjustment provided by the European Central Bank (ECB). The draft implementing regulation is intended to apply as of 3 January 2022, when EONIA is to be discontinued.

The [second draft implementing act](#) designates the following rates as replacement for CHF LIBOR:

- 1-month CHF LIBOR is replaced by 1-month compounded SARON, as observed over the 1-month period preceding the interest period;
- 3-month CHF LIBOR is replaced by 3-month compounded SARON, as observed over the 3-month period preceding the interest period;
- 6-month CHF LIBOR is replaced by 6-month compounded SARON, as observed over the 6-month period preceding the interest period; and
- 12-month CHF LIBOR is replaced by 12-month compounded SARON, as observed over the 12-month period preceding the interest period.

The fixed spread adjustment to be added to the designated replacement rates shall be equivalent to the spread published for each relevant tenor and calculated on 5 March 2021 as a historical median spread between the CHF LIBOR concerned and the respective SARON compounded over a five-year lookback period for each particular term. This follows feedback received to a consultation by the EU Commission launched in March 2021, which revealed broad support for designating a statutory replacement for all settings of CHF LIBOR in line with the recommendations of the Swiss National Working Group.

The draft implementing regulation is intended to apply as of 1 January 2022, when LIBOR will cease to be published.

Comments on both draft implementing regulations are due by 31 August 2021.

Benchmarks Regulation: EU Commission consults on supervisory fees, fines and penalties for benchmark administrators

The EU Commission has published for [consultation](#) a draft delegated regulation which would supplement the Benchmarks Regulation ((EU) No 2016/1011) to specify the fees and procedures applicable to the European Securities Markets Authority's (ESMA's) supervision of benchmark administrators.

Specifically, it sets out:

- the fees that benchmark administrators need to pay ESMA for supervision; and
- the procedure ESMA needs to follow to impose fines or penalties on benchmark administrators under its supervision.

Comments on the draft regulation are due by 27 August 2021.

MiFIR: EU Commission consults on supervisory fees and procedures for data reporting service providers

The EU Commission has published for [consultation](#) a draft delegated regulation which would supplement the Markets in Financial Instruments Regulation (MiFIR) to specify the fees and procedures applicable to ESMA's supervision of data reporting service providers (DRSPs), when it takes over this responsibility from national competent authorities (NCAs) in January 2022.

The draft regulation sets out:

- the derogation criteria for DRSPs that will continue to be supervised by NCAs instead of ESMA after January 2022;
- the fees that DRSPs need to pay ESMA for supervision; and
- the procedure ESMA needs to follow to impose fines or penalties on DRSPs under its supervision.

Comments on the draft regulation are due by 27 August 2021.

Sanctions: EU Commission consults on vulnerability of financial market infrastructure to third-country unilateral sanctions' extraterritorial application

The EU Commission has launched a targeted [consultation](#) on the vulnerabilities of EU financial market infrastructures (FMIs) to the extraterritorial application of third-countries' unilateral sanctions.

The consultation follows a January 2021 Commission [communication](#), entitled 'The European economic and financial system: fostering openness, strength and resilience,' which set out a strategy to strengthen the international role of the euro, improve FMI resilience, and improve the EU sanctions regimes' effectiveness. The EU Commission notes that information gathered during its present consultation is intended to inform any potential follow-up measures.

Comments are due by 15 October 2021.

Sustainable Finance: EU Commission consults on draft preliminary recommendations for EU taxonomy technical screening criteria

The EU Commission's Platform on Sustainable Finance expert group has published for [consultation](#) a [draft report](#) on preliminary recommendations for technical screening criteria for the EU taxonomy.

The draft report, prepared by the Technical Working Group (TWG), aims to fulfil the Platform's mandate under the EU Taxonomy Regulation to advise the EU Commission on the development of the EU taxonomy, and in particular on the development of technical screening criteria for the six environmental objectives as set out in the Regulation.

The draft report covers a first set of priority economic activities and draft recommendations for associated substantial contribution and do no significant harm (DNSH) technical screening criteria in relation to the four non-climate environmental objectives:

- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control; and
- protection and restoration of biodiversity and ecosystem.

The report also includes a small number of economic activities and corresponding draft recommendations in relation to the other two objectives focused on climate mitigation and climate adaptation.

Alongside the draft report, the TWG has published an [annex](#) containing the full list of technical screening criteria.

Comments on the consultation are due by 24 September 2021. The Platform intends to submit a final advice report to the EU Commission in November 2021.

UCITS: EU Commission consults on proposed amending Directive on use of key information documents

The EU Commission has launched a [consultation](#) on its proposal for a [directive](#) amending Directive 2009/65/EC as regards the use of key information documents by management companies of UCITS.

The proposal is intended to ensure that key information documents that comply with the Regulation on key information documents for Packaged Retail and Insurance-based Investment Products (PRIIPs) are considered as satisfying the requirements for key investor information for UCITS in Articles 78 to 82, and 94 of Directive 2009/65/EC, in order to avoid a situation where retail investors receive two different pre-contractual disclosure documents in respect of the same UCITS.

The consultation follows the Commission's adoption of the proposal, together with a related proposal for a regulation amending the PRIIPS Regulation, on 15 July 2021. The Commission also launched a consultation on its proposed regulation at that stage.

Comments on both consultations are due by 9 September 2021.

BRRD2: EBA publishes revised resolution planning reporting ITS

The European Banking Authority (EBA) has published a [final report](#) setting out draft implementing technical standards (ITS) amending Implementing Regulation (EU) 2018/1624 on the provision of information for the purposes of resolution plans. The draft ITS are intended to:

- realign the standards following changes to the minimum requirement for own funds and eligible liabilities (MREL) introduced by the second Bank Recovery and Resolution Directive (BRRD2);
- remove certain identified obstacles to compliance;
- correct references; and
- update the list of Deposit Guarantee Schemes.

The draft ITS will be submitted to the EU Commission for endorsement before publication in the Official Journal. It is envisaged that the amended ITS would apply for reports as of 31 December 2021. The EBA also notes its plans to undertake a comprehensive review of the ITS focussing on reporting challenges, changed user needs and the existence of the ITS on disclosures and reporting in MREL and total loss-absorbing capacity (TLAC) during the course of 2021. A consultation on the proposals of the comprehensive review will take place later in 2021.

AMLD4: EBA consults on draft guidelines on role of compliance officers

The EBA has launched a [consultation](#) on draft guidelines on the role of anti-money laundering and countering the financing of terrorism (AML/CFT) compliance officers under Article 8 and Chapter VI of the fourth Anti-Money Laundering Directive (AMLD4).

The draft guidelines address the AML/CFT governance arrangements including at group level, and provide expectations for the role, tasks and responsibilities of AML/CFT compliance officers together with those of management bodies and interactions between the former and latter.

The EBA also sets out draft guidance in relation to the following topics among others:

- appropriate seniority of and powers for compliance officers;
- information that should be included in compliance officers' activity reports to management bodies; and
- group-level compliance officers.

Comments are due by 2 November 2021.

UK MiFID: FCA publishes third consultation on Investment Firm Prudential Regime

The Financial Conduct Authority (FCA) has launched a [consultation](#) (CP21/26) on the introduction of the UK Investment Firm Prudential Regime (IFPR) for investment firms authorised under the UK Markets in Financial Instruments Directive (UK MiFID). This is the third and final consultation in the series on the proposed IFPR.

In CP21/26, the FCA is seeking feedback on proposals regarding:

- disclosure;
- excess drawings of own funds by partners and members;
- technical standards;
- depositaries;
- changes to the FCA Handbook to reflect changes to the UK resolution regime;
- other consequential changes to the Handbook; and
- the FCA's use of new powers introduced under Part 9C of the Financial Services and Markets Act.

Comments are due by 17 September 2021.

The FCA has published policy statements and near-final rules following the first and second IFPR consultations. Once the feedback from CP21/26 has been collated, it intends to publish an additional policy statement and final rules for the whole regime in autumn 2021. The IFPR is expected to take effect in January 2022.

Benchmarks (Provision of Information and Documents) (Amendment) Regulations 2021 made and laid before Parliament

The [Benchmarks \(Provision of Information and Documents\) \(Amendment\) Regulations 2021](#) (SI 2021/920) have been made and laid before Parliament.

SI 2021/920 amends the Benchmarks (Provision of Information and Documents) Regulations 2021 (SI 2021/812). As currently drafted, SI 2021/812 only applies to an administrator of a benchmark that is specified as critical by regulations made under Article A20 or Article 20 of the Benchmarks Regulation. SI 2021/920 corrects a drafting error to ensure that SI 2021/812 also applies to an administrator of a critical benchmark that is listed in Commission Implementing Regulation (EU) 2016/1368 establishing a list of critical benchmarks used in financial markets pursuant to the Benchmarks Regulation. The amendment is intended to ensure that SI 2021/812 will apply to LIBOR, the only critical benchmark in the UK at present and which is listed under the Commission Implementing Regulation.

The Regulations came into force on 8 August 2021.

BaFin consults on guidelines for ESG investment funds

The German Federal Financial Services Supervisory Authority (BaFin) has launched a [consultation](#) on draft guidelines for sustainable investment funds, which are intended to protect investors against potential greenwashing. The guidelines contain requirements on how fund managers have to structure public investment funds that are labelled or explicitly marketed as sustainable. In this context, BaFin sets out the following three options: the terms and conditions must either provide for a minimum investment quota of 75% in sustainable assets to be observed, a sustainable investment strategy to be pursued (e.g. best-in-class strategy), or a sustainable index to be reflected.

With these draft guidelines, BaFin is exercising its right pursuant to Section 4 para. 2 of the German Investment Act (KAGB) to determine which fund

category investment funds correspond to depending on their terms and conditions. The guidelines complement the EU's Taxonomy Regulation and Disclosure Regulation, which regulate which disclosure obligations capital management companies must take into account at company and product level, but do not specify how the terms and conditions of investment funds must be structured.

Comments are due by 6 September 2021.

BaFin consults on guidance note on account access interfaces

BaFin has launched a [consultation](#) on a [draft guidance note](#) relating to the granting of an exemption from the requirement to set up a contingency mechanism pursuant to Article 33 paragraph 6 of Delegated Regulation (EU) 2018/389.

Account servicing payment service providers with online payment accounts are required under the Payment Services Directive 2 (PSD 2), as implemented by the German Payment Services Supervision Act (Zahlungsdiensteaufsichtsgesetz – ZAG), to provide an access interface for payment initiation service providers and account information service providers. If such access is offered by means of a dedicated interface, the account servicing payment service provider must also set up a contingency mechanism for the event that the interface does not perform as required. However, the supervisory authority may grant an exemption from this obligation upon request.

The draft guidance note does not contain any new regulatory requirements but is intended to provide transparency on the administrative practice that BaFin has developed and applied since 2019 in reviewing dedicated account access interfaces and deciding on individual exemption requests.

Comments are due by 30 September 2021.

Bank of Italy repeals its recommendation on dividend distribution and variable remuneration policies of less significant banks

The Bank of Italy has [repealed](#) its Recommendation of 16 December 2020 on dividend distribution and variable remuneration policies of less significant banks as of 1 October 2021. In particular, with the December 2020 Recommendation, the Bank of Italy confirmed the maintenance of a prudent approach, while allowing less significant banks to make limited dividend distributions. The same communication also stressed that, in the absence of a substantial worsening of the macroeconomic environment, as of 30 September 2021 the Bank of Italy would return to assessing dividend distribution and variable remuneration policies as part of the ordinary prudential review and assessment process of individual intermediaries (SREP).

The latest macroeconomic projections show signs of improvement in the economy. The Bank of Italy therefore intends, in line with the ECB's decision for significant banks, to return to the criteria for capital assessment and dividend distribution and share repurchase plans as part of the ordinary SREP process. However, less significant banks will need to maintain a prudent

approach when deciding on distribution and share repurchase policies, carefully considering the sustainability of their business model.

Consob publishes information on applicable provisions on marketing of collective investment undertakings in Italy

The Commissione Nazionale per le Società e la Borsa (Consob) has, in accordance with the provisions of Articles 5 and 10 of Regulation (EU) 2019/1156 on the cross-border distribution of collective investment undertakings, [published](#) information relating to the applicable provisions on the requirements for the marketing of collective investment undertakings in Italy, as well as information relating to supervisory contributions in relation to the operations of managers in Italy.

Italian Council of Ministers approves preliminary draft bills of law implementing EU financial and banking directives

The Italian Council of Ministers has [approved](#) preliminary draft bills of law implementing, amongst others:

- Directive (EU) 2019/879 (BRRD2), which amends Directive 2014/59/EU (BRRD) as regards the loss-absorbing capacity and recapitalisation of credit institutions and investment firms and Directive 98/26/EC. The draft decree also brings national legislation in line with Regulation (EU) No 806/2014 laying down uniform rules and a procedure for the resolution of credit institutions and certain investment firms under the Single Resolution Mechanism (SRM) and amending Regulation (EU) No 1093/2010, as amended by Regulation (EU) 2019/877;
- Directive (EU) 2019/878 (Capital Requirements Directive - CRD 5), which amends Directive 2013/36/EU (CRD 4) as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The decree also adapts national legislation to Regulation (EU) 2019/876 (Capital Requirements Regulation - CRR 2), which amends Regulation (EU) No 575/2013 (CRR) on prudential requirements for credit institutions. The decree makes amendments to Legislative Decree No. 385 of 10 September 1993 (Consolidated Law on Banking - TUB) and to Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Financial Intermediation - TUF); and
- Directive (EU) 2019/2162 on the issuance of covered bonds and the public supervision of covered bonds and amending Directive 2009/65/EC and Directive 2014/59/EU. The decree also adapts national legislation to the provisions of Regulation (EU) 2019/2160 amending Regulation (EU) No 575/2013 with regard to exposures in the form of covered bonds. The decree amends Law No. 130 of 30 April 1999 on securitisation.

Italian Council of Ministers approves preliminary draft bill of law implementing Investment Firms Directive and Regulation

The Italian Council of Ministers has [approved](#) a preliminary draft bill of law intended to implement the provisions of Directive (EU) 2019/2034 on the prudential supervision of investment firms (Investment Firms Directive – IFD)

and the provisions of Regulation (EU) 2019/2033 on the prudential requirements of investment firms (Investment Firms Regulation – IFR). As stated in the Government’s press release, the two measures set out a new prudential regime for investment firms, providing for different rules with respect to credit institutions, which take into account the size, activities and risks of the different types of investment firms. The investment firms themselves are divided into four categories. The IFR also amends the definition of credit institution, which now includes, in addition to banks, firms that provide certain investment services and have balance sheet assets of at least EUR 30 billion, either individually or on a consolidated basis. This threshold is currently not exceeded by any Italian investment firm (SIM).

The Bank of Italy and Consob are designated as the competent authorities to exercise the functions and powers provided for by EU rules, in accordance with the current allocation of regulatory and supervisory competences provided for by the TUF, with respect to SIMs. This ensures continuity with the current regulatory framework, given that the Directive and the Regulation effectively replace and simplify the current regulatory framework applicable to SIMs.

CSSF adopts ESMA guidelines on certain aspects of MiFID2 compliance function requirements

The Commission de Surveillance du Secteur Financier (CSSF) has issued [Circular 21/779](#), which implements ESMA [guidelines](#) on certain aspects of the MiFID2 compliance function requirements (ESMA35-36-1952).

The circular provides that all investment firms, credit institutions when carrying out investment services or investment activities or when selling or advising clients in relation to structured deposits, UCITS management companies when providing the services referred to in Article 101(3) of the Law of 17 December 2010 relating to undertakings for collective investment in accordance with Article 101(4) of that Law, and AIFMs when providing the services referred to in Article 5(4) of the Law of 12 July 2013 on alternative investment fund managers in accordance with Article 5(6) of that Law, shall comply with the guidelines.

The guidelines are intended to enhance clarity and foster convergence in the implementation of certain aspects of the new MiFID2 compliance function requirements, repealing the existing ESMA guidelines issued on the same topic in 2012 (ESMA/2012/388).

The 2012 guidelines have been substantially confirmed by the guidelines, albeit clarified, refined and supplemented where necessary. In addition, the new guidelines take into account new requirements under MiFID2 and the results of supervisory activities conducted by national competent authorities on the application of the compliance function requirements.

Circular 21/779 shall apply with immediate effect and complements Circulars CSSF 12/552, 18/698 and 20/758 (as applicable).

APRA publishes responses to submissions and final prudential standard APS 111 Capital Adequacy – Measurement of Capital

The Australian Prudential Regulation Authority (APRA) has published its [responses](#) to the submissions on its May 2021 proposals and the final [revised](#)

Prudential Standard APS 111 Capital Adequacy: Measurement of Capital (APS 111).

APRA first consulted on proposed revisions to APS 111 in October 2019 and had planned to finalise APS 111 reforms in 2020, but delayed this to allow authorised deposit-taking institutions (ADIs) to focus on managing risks associated with COVID-19. In May 2021, APRA published its response to issues raised by industry in the 2019 consultation, which included final policy positions.

In the May 2021 response, APRA also proposed some new minor revisions to APS 111 that were not included in the 2019 consultation. Some ADIs asked APRA to provide further clarity regarding 'repackaging' arrangements and the applicability of the revised APS 111 to foreign bank branches. To address these issues, APRA has published the following responses:

- 'repackaging' arrangements – under APS 111, a capital instrument is not eligible for inclusion in regulatory capital if it includes 'repackaging' arrangements that have the effect of compromising the quality of the capital raised. APRA notes that repackaging arrangements may occur where an instrument is not marketed in line with its prudential treatment, or if the transaction documentation suggests to investors that the instrument has attributes of a lower level of capital than claimed for in prudential treatment; and
- foreign ADIs – consistent with APS 110, APRA has clarified that APS 111 does not apply to a foreign ADI. As part of its approach to licensing, APRA will typically review whether foreign ADIs are subject to comparable capital requirements in their home country.

The key revisions in the updated APS 111 are designed to:

- reinforce financial system resilience, through changes to the capital treatment of an ADI's equity investments in their banking and insurance subsidiaries;
- promote simple and transparent capital issuance, through the removal of the allowance for the use of special purpose vehicles in regulatory capital issuance; and
- clarify aspects of APS 111, including provision of additional technical information to assist ADIs in issuing capital instruments.

The final APS 111 will come into effect from 1 January 2022.

APRA releases information on getting ready for APRA Connect go-live

APRA has published [further information](#) to assist entities in getting ready for APRA Connect. APRA Connect will be available from 13 September 2021 for entities to maintain entity information such as contact details, responsible persons and related parties (including Banking Executive Accountability Regime reporting for authorised deposit-taking institutions).

The first regulatory data collections to be introduced in APRA Connect are the superannuation data transformation collections, due in September 2021, and private health insurance reform, due in October 2021. APRA has advised entities to access the APRA Connect test environment to become familiar with

system functionality and to practice data preparation and submission for production go-live.

ARRC formally recommends Term SOFR

The US Alternative Reference Rates Committee (ARRC) has formally [recommended](#) the CME Group's Secured Overnight Financing Rate (SOFR) term rates (Term SOFR), available in one-, three-, and six-month tenors, following the completion of a key change in US interdealer trading conventions. The ARRC's recommendation of these forward-looking SOFR term rates marks the completion of the Paced Transition Plan that the ARRC first outlined in 2017.

This development means that:

- existing US dollar LIBOR contracts that include standard ARRC hardwired fallback language and reference Term SOFR as the first option in the 'waterfall' of benchmark replacement options will pursuant to their terms switch to Term SOFR plus a spread adjustment in mid-2023;
- outstanding fixed-to-floating rate bonds that contemplate switching to Term SOFR after the end of the fixed rate period in 2022 or later will switch to Term SOFR pursuant to their terms;
- it is likely that Term SOFR will be selected as a replacement benchmark rate for some categories of tough legacy contracts by a relevant recommending body pursuant to the New York LIBOR legislation and, if enacted, any US federal LIBOR legislation; and
- it is more likely that lenders will begin originating US dollar denominated loans using Term SOFR instead of US dollar LIBOR, which could have the effect of allowing parties to existing loans to exercise early opt-in provisions in their agreements to transition away from US dollar LIBOR.

RECENT CLIFFORD CHANCE BRIEFINGS

Scottish independence? The impact on assets, liabilities and currency

If Scotland were to vote, in a second referendum, for independence from the rest of the United Kingdom, the UK's assets would need to be divided between the two countries.

The most difficult decision that Scotland would face is over its currency. Cautious voices recommend maintaining sterling for a lengthy period, but others want Scotland to have its own currency at, or shortly after, independence.

This briefing discusses the impact of Scottish independence on assets, liabilities, and currency.

<https://www.cliffordchance.com/briefings/2021/08/scottish-independence--the-impact-on-assets--liabilities-and-cur.html>

The impact of Scottish independence on tax, pensions and financial services

If Scotland were to vote, in a second referendum, for independence from the rest of the UK, Scotland would need to enter new cross-border tax agreements, which could affect current tax and pensions arrangements.

Scotland also wants to join the EU, which could have a profound impact on cross-border trade between Scotland and the rest of the United Kingdom (rUK), including a requirement for duties and a border infrastructure, as well as significant implications for financial services.

This briefing discusses the impact of Scottish independence in these areas.

<https://www.cliffordchance.com/briefings/2021/08/the-impact-of-scottish-independence-on-tax--pensions-and-financi.html>

Reforming the UK competition and consumer regimes – digital markets and beyond

The UK Government has published not one, but two consultations on proposals to reform the UK competition and consumer law regimes. These include the Government's proposals for the new pro-competition regime for digital markets to be enforced by the Digital Markets Unit in the Competition and Markets Authority.

This briefing discusses the proposals.

<https://www.cliffordchance.com/briefings/2021/07/reforming-the-uk-competition-and-consumer-regimes--digital-marke.html>

FCA publishes its final rules for SPACs

On 27 July 2021, the FCA published its eagerly anticipated changes to the Listing Rules for special purpose acquisition companies (SPACs) following recommendations from Lord Hill in his UK Listing Review report published on 3 March 2021. In so doing, these rules seek to strike a balance between promoting London as a competitive venue for European SPAC listings whilst maintaining strong investor protections. These new rules comprise a set of conditions that a SPAC must satisfy in order to avoid having its listing suspended on announcement of a business combination or upon a leak. The new rules came into effect on 10 August 2021.

This briefing discusses the final rules.

<https://www.cliffordchance.com/briefings/2021/08/fca-publishes-its-final-rules-for-spacs.html>

Hong Kong contractual stay rules for banks to come into force

The Financial Institutions (Resolution) (Contractual Recognition of Suspension of Termination Rights – Banking Sector) Rules will come into operation on 27 August 2021.

Hong Kong joins jurisdictions such as the United States, the United Kingdom and the European Union in preparing to put in place rules requiring financial institutions to include provisions in a range of financial contracts preventing the exercise of termination rights against those financial institutions if they fall into financial distress. The purpose of the rules is to ensure that resolution

actions taken by a regulator of a distressed financial institution are not inhibited.

This briefing discusses the new rules and their impact on capital markets, finance, and derivatives documentation governed by non-Hong Kong law.

<https://www.cliffordchance.com/briefings/2021/07/hong-kong-contractual-stay-rules-for-banks-to-come-into-force.html>

C L I F F O R D C H A N C E

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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