

FCA Business Plan 2019/20.....	2
European Parliament adopts IFD and IFR revising the prudential framework for EU investment firms	3
EMIR Refit.....	4
FCA Statement on delay to publication of final rules for CFD products and CFD-like options.....	5
FCA begins a review of the Financial Advice Market	6
Key Dates.....	7

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*Of relevance to
All firms*

The FCA has published its Business Plan for 2019/20 which outlines its key priorities for the year.

The statement from the FCA accompanying the Business Plan outlines four ongoing cross-sector priorities:

- Work on firms' culture and governance, including extending the Senior Managers and Certification Regime to all firms;
- Ensuring the fair treatment of firms' existing customers by monitoring firms' practices, including the information they give prospective and current customers;
- Developing the work being done on operational resilience, which will play a vital role in protecting the UK's financial system; and
- Combating financial crime and improving anti-money laundering practices, by enhancing the use of technology and data, as well as engaging with multiple agencies and government bodies.

The Business Plan also sets out three additional cross-sector priorities, which have longer time horizons:

- the future of regulation;
- ensuring innovation and the use of data work in consumers' interests; and
- examining the intergenerational challenge in financial services.

<https://www.fca.org.uk/news/press-releases/fca-sets-out-its-priorities-2019-20>

European Parliament adopts IFD and IFR revising the prudential framework for EU investment firms

*Of relevance to
All firms*

The European Parliament has now passed the new regulation on prudential requirements for MiFID investment firms, the Investment Firms Regulation (IFR) and the accompanying Directive, the Investment Firms Directive (IFD). Following adoption by the European Council, these will become law with the new regime expected to come into force in either late 2020 or early 2021.

The IFR and IFD will introduce a new prudential regime for the majority of MiFID investment firms replacing the current regime under the Capital Requirements Directive and Capital Requirements Regulation.

Should firms, or clients of Complyport, have concerns over the new prudential regime they can contact Complyport for assistance.

EMIR Refit



Of relevance to
*All firms subject to the European Market
Infrastructure Regulation ("EMIR")*

The EU have agreed changes to EMIR which applies to the over-the-counter ("OTC") derivative transactions. These changes, agreed under the EU's Refit agenda, aim to preserve all the core elements of EMIR, whilst addressing disproportionate compliance costs, transparency issues and insufficient access to clearing for certain counterparties. The legislation introduces a new category of Small Financial Counterparties which will be exempted from the obligation to clear their transactions through a central counterparty, while remaining subject to risk mitigation obligations. EMIR Refit also extends the Pension Scheme Arrangements exemption and require clearing brokers to provide services on fair, reasonable, non-discriminatory and transparent commercial terms.

Should firms, or clients of Complyport, have concerns over EMIR reporting they can contact Complyport for assistance.

FCA Statement on delay to publication of final rules for CFD products and CFD-like options

*Of relevance to
CFD providers*

The FCA has provided a statement update on permanent product intervention measures to restrict the sale, marketing and distribution of contracts for differences (CFDs) and CFD-like options sold to retail clients.

The FCA is still considering feedback to its earlier consultation and ESMA's temporary restrictions continue to apply to FCA authorised firms and intends to publish a Policy Statement and any changes to the FCA Handbook during the summer. The FCA's final rules for CFDs would apply from the date that ESMA's restrictions expire, if not earlier. Firms that sell, market, or distribute CFD-like options would be given at least two months to comply with the new rules.

Firms must continue to comply with ESMA's decision notice that imposes temporary restrictions on the marketing, distribution or sale of CFDs to retail clients. Should EU law cease to apply in the UK before ESMA's decision notice expires, ESMA's decision notices will continue to apply as part of UK law. The FCA's supervision of firms in this sector will remain focused on compliance with ESMA's measures.

<https://www.fca.org.uk/news/statements/fca-statement-delay-publication-final-rules-cfds-products-and-cfd-options>

FCA begins a review of the Financial Advice Market

Of relevance to

firms distributing retail financial service products

The FCA has launched a Call for Input asking for feedback on its proposed approach to reviewing the Retail Distribution Review (RDR) and the Financial Advice Market Review (FAMR).

The FCA's review will consider whether these initiatives have been successful in achieving their objectives. The review will look at what consumers want from the market and how the market works to deliver this. It will also consider how new market trends and developments might affect the future development of advice and guidance services.

The FCA is seeking initial feedback to the Call for Input by the 3 June 2019 and will hold several events, and collect further data through consumer research and surveying a sample of firms. The FCA intends to publish its final report in 2020.

<https://www.fca.org.uk/news/press-releases/fca-begins-review-financial-advice-market>

Key Dates



Key Date	Topic
December 2019	Senior Managers & Certification Regime to cover all FSMA authorised firms, replacing the Approved Persons Regime
3 July 2020	End of 30-month period during which the US Securities and Exchange Commission provides market participants with greater certainty regarding their US regulated activities and compliance with MiFID II rules on Investment Research
July 2020	5th Money Laundering Directive to be adopted throughout Europe
October 2020	Pension transfer specialists to obtain the investment advice qualification
31 December 2020	Brexit - end of transitional period

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