

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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If you have any comments or questions, please contact:
[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 ALL-PARTY PARLIAMENTARY GROUP ON INVESTMENT FRAUD AND FAIRER FINANCIAL SERVICES

- 1.1 **Report on the FCA published by APPG - 26 November 2024** - The All-Party Parliamentary Group (APPG) on Investment Fraud and Fairer Financial Services has published a report following its call for evidence about the FCA. The report features a number of criticisms surrounding the FCA's culture and operations, and highlights the negative light in which respondents to the call for evidence perceive the regulator. The report makes recommendations to address these criticisms, including legislation to change the way the FCA is funded, overhauling the way the FCA's senior leadership team is appointed and removing the FCA's immunity from civil liability to consumers.

The report also considers the possibility of limiting the FCA's responsibilities to those relating to conduct only and moving all prudential regulation to the PRA, giving the Competition and Markets Authority sole responsibility for competition matters and shifting competitiveness and growth to the Department for Business and Trade. The report recognises that there is not current widespread appetite for such radical measures.

[APPG report on the call for evidence about the FCA](#)

2 HM TREASURY

- 2.1 **Cryptoassets, securities tokenisation and stablecoins - HM Treasury publishes speech on UK approach to regulation - 25 November 2024** - HM Treasury has published a speech given by Tulip Siddiq, Economy Secretary to HM Treasury, on the UK government's approach to cryptoasset regulation and securities tokenisation.

Of particular note, Siddiq confirms that HM Treasury intends to proceed with plans set out by the previous UK government in October 2023 to bring the regulation of cryptoassets within the framework established by the Financial Services and Markets Act 2000. The new regulated activities for stablecoins will, however, now be implemented to the same timetable as the rest of the new cryptoasset regime (so this workstream will now have only one phase), and the government does not intend to bring stablecoins into UK payments regulation at this time. This is because stablecoins have not yet brought about a 'big bang' moment in retail payments. Since the speech was delivered, the FCA has published a roadmap outlining its timeline for establishing a UK cryptoasset regime (see item below).

[HM Treasury speech: UK government approach to tokenisation and regulation](#)

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3 FINANCIAL CONDUCT AUTHORITY

3.1 **Cryptoassets - FCA publishes consumer research and policy roadmap - 26 November 2024 -**

The FCA has published a research note analysing cryptoasset holdings in the UK and consumers' understanding, attitudes and behavioural patterns towards them. Key highlights include:

- 93% of UK adults have heard of cryptoassets and 12% (around 7 million adults) own them;
- the average value of cryptoassets held by people increased from £1,595 to £1,842; and
- 27% of cryptoasset users say that they would be more likely to invest if cryptoassets were more regulated in the UK.

The FCA has also published an indicative roadmap outlining a series of focused consultations on the future regulatory framework for cryptoassets. Topics for consultation include market abuse, trading platform rules, the regulation of stablecoins, cryptoasset custody and conduct and firm standards for regulated cryptoasset activities. The roadmap suggests final rules for all topics are expected in 2026.

[FCA research note: Cryptoassets consumer research 2024 \(wave 5\)](#)

[FCA Crypto Roadmap](#)

3.2 **Cryptoasset financial promotions and fiat-to-crypto on/off ramp services - FCA publishes webpage on expectations and risks - 26 November 2024 -** The FCA has published a webpage on cryptoasset financial promotions and fiat-to-crypto on/off ramp services, outlining the risks of regulated or registered cryptoassets firms partnering with unregistered cryptoasset firms. The webpage also includes examples of positive steps taken by regulated/registered firms to address the FCA's concerns.

[Webpage](#)

3.3 **The FCA's future strategy - FCA publishes speech - 26 November 2024 -** The FCA has published a speech given by Emily Shepperd, FCA chief operating officer, setting out the FCA's 5-year strategy. The strategy has four main themes: becoming a more efficient and effective regulator, tackling financial crime, building consumer resilience, and supporting economic growth and innovation. Following industry calls for the FCA to be more "*predictable, pragmatic and proportionate in the way that we operate*", the FCA is undertaking a number of improvements, including rethinking how it supervises and simplifying its retail conduct rules. The possibility of using digital passports to fight financial crime is also mooted.

[FCA speech: Setting the foundations for our future strategy](#)

4 FINANCIAL OMBUDSMAN SERVICE

4.1 **Charging CMCs for bringing FOS cases - FOS publishes letter on consultation outcome - 19 November 2024 -** The Financial Ombudsman Service (FOS) has published a letter addressed to the

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FCA on the outcome of its consultation paper, published in May 2024, on proposals to charge case fees to claims management companies (CMCs). Based on the feedback received, the FOS intends to:

- implement a fee of £250 per case, reducing to £75 where the case is determined in favour of the complainant represented by the CMC;
- avoid vested financial interest in the outcome of any individual complaint by reducing the fee payable by the respondent firm by £175 where the complaint is not successfully upheld against them; and
- increase the free case limit from three to ten per financial year for each CMC, so they could test cases raising new issues and learn from them (meaning that over 80% of CMCs that currently refer cases will not be in scope for a fee).

The FOS notes that it wishes to implement these changes from early 2025, subject to Parliamentary and FCA consideration and the approval of enabling legislation.

[FOS letter](#)

BEYOND BREXIT //

5 UK PARLIAMENT

5.1 Collective Investment Schemes (Temporary Recognition) and Central Counterparties (Transitional Provision) (Amendment) Regulations 2024 published - 25 November 2024 - The Collective Investment Schemes (Temporary Recognition) and Central Counterparties (Transitional Provision) (Amendment) Regulations 2024 (SI 2024/1215) (the Regulations) have been published, together with an explanatory memorandum.

The Regulations support the implementation of the Government's first equivalence decision under the Overseas Funds Regime ("OFR"). They do this by extending the temporary marketing permissions regime (TMPR) for EEA investment funds contained in the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/325) until 31 December 2026. The Regulations also make technical amendments to the TMPR to ensure that in-scope sub-funds are able to transition smoothly to the OFR on direction by the FCA, or alternatively apply for recognition under section 272 of the Financial Services Markets Act 2000.

The Regulations also remove continued EU recognition as a condition for remaining in the temporary recognition regime for overseas central counterparties (CCPs) under the Central Counterparties (Amendment, etc., and Transitional Provision) (EU Exit) Regulations 2018 (SI 2018/1184). The Regulations came into force on 26 November 2024.

[Statutory instrument](#)[Explanatory memorandum](#)

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- 5.2 Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Regulations 2024 published - 27 November 2024** - The Insurance Distribution (Regulated Activities and Miscellaneous Amendments) Regulations 2024 (SI 2024/1239) (the Regulations) have been published, alongside an explanatory memorandum. The Regulations remove or amend references to the Insurance Distribution Directive ((EU) 2016/97) which still exist across the UK statute book and are no longer required. There is no policy change around how insurance distribution is regulated. The Regulations will come into force on 1 January 2025.

[Statutory instrument](#)[Explanatory memorandum](#)

6 FINANCIAL CONDUCT AUTHORITY

- 6.1 MiFID Org Regulation - FCA launches consultation to transfer rules to FCA Handbook - 27 November 2024** - The FCA has published a consultation paper (CP24/24) on proposals to transfer the firm facing requirements of the UK version of Commission Delegated Regulation (EU) 2017/565 (Markets in Financial Instruments Directive (MiFID) Org Regulation) into FCA Handbook rules, without policy changes. The FCA is proposing to retain the current substance of the requirements of the MiFID Org Regulation, giving firms continuity.

The FCA has, however, included a discussion chapter about further reform, either now or in the future, to make the rules better suited to the range of UK authorised firms and clients they provide services to (including in circumstances where the Consumer Duty does not apply).

The deadline for comments is 28 March 2025. Separately, the PRA has published a statement confirming its plans to publish an equivalent consultation paper in the first quarter of 2025 and aims to publish a policy statement on the same day as the FCA in H2 2025.

[FCA consultation paper: The MiFID Organisational Regulation \(CP24/24\)](#)[PRA statement](#)

BANKING AND FINANCE //

7 FINANCIAL STABILITY BOARD

- 7.1 Updated list of G-SIBs for 2024 published by FSB - 26 November 2024** - The Financial Stability Board (FSB) has published an updated list of global systemically important banks (G-SIBs) based on end-2023 data. No banks have been removed or added to the list, with the total number of G-SIBs remaining at 29, and two banks have moved between categories. The FSB will publish a new list of G-SIBs in November 2025.

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8 PRUDENTIAL REGULATION AUTHORITY AND FINANCIAL CONDUCT AUTHORITY

8.1 Bank remuneration reforms - PRA and FCA launch consultation - 26 November 2024 - The PRA and the FCA have published a joint consultation paper (PRA CP16/24 and FCA CP24/23) on proposed amendments to the dual-regulated firms' remuneration regime. Key proposals include:

- reducing the bonus deferral period for the most senior bankers to five years (for other, less senior bankers this will be reduced to four years);
- allowing part-payment of bonuses from year one, rather than year three as at present for some bankers;
- ensuring that variable remuneration better reflects risk taking outcomes and individual responsibilities; and
- simplifying the approach for identifying material risk takers.

The deadline for comments is 13 March 2025.

[PRA and FCA consultation paper: Remuneration reform \(PRA CP16/24 and FCA CP24/23\)](#)

SECURITIES AND MARKETS //

9 UK PARLIAMENT

9.1 Securitisation (Amendment) (No. 2) Regulations 2024 published - 21 November 2024 - The Securitisation (Amendment) (No. 2) Regulations 2024 (SI 2024/) (the Regulations) have been published, alongside an explanatory memorandum.

The Regulations extend a temporary arrangement granting preferential prudential treatment for EU-origin Simple, Transparent, and Standardised (STS) securitisations. UK investors, where they are subject to prudential regulation, currently access lower capital requirements when investing in EU STS securitisations. The Regulations extend the time by which such EU STS securitisations can enter the temporary arrangement, from its expiry date on 31 December 2024, to 30 June 2026. The Regulations came into force on 22 November 2024.

[Statutory instrument](#)

ASSET MANAGEMENT //

10 UK PARLIAMENT

10.1 Packaged Retail and Insurance-based Investment Products (Retail Disclosure) (Amendment) Regulations 2024 published - 21 November 2024 - The Packaged Retail and Insurance-based Investment Products (Retail Disclosure) (Amendment) Regulations 2024 (SI 2024/1204) have been

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published, together with an explanatory memorandum, and make transitional amendments to assimilated law pending its repeal and replacement.

In short, the Regulations remove the requirement for investment trusts (and persons advising on or selling shares of investment trusts) to produce a Key Information Document under the UK version of the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation ((EU) 2014/1286). In addition, investment trusts, and firms investing in them, will not be required to disclose costs and charges relating to investment trusts to clients under the UK version of Commission Delegated Regulation (EU) 2017/565 (Markets in Financial Instruments Directive (MiFID) Org Regulation). The Regulations came into force on 22 November 2024.

[Statutory instrument](#)[Explanatory memorandum](#)

INSURANCE //

11 FINANCIAL CONDUCT AUTHORITY

11.1 Life insurers' bereavement claim process - FCA publishes findings from multi-firm review - 22 November 2024 - The FCA has published the findings from its multi-firm review of life insurers' bereavement claim process for life products. The review suggests that firms process bereavement claims and capture associated management information very differently. The FCA states that, although evidence of good practice was identified, many firms still have further to go to meet its expectations, particularly in the measurement, monitoring, and delivery of good service outcomes for customers. In light of the findings, the FCA intends to work with firms towards improving customer outcomes and conduct further work to understand what changes have been made, taking action where necessary.

[FCA: Findings of our multi-firm review of life insurers' bereavement claim process](#)[Press release](#)

FINANCIAL CRIME //

12 FINANCIAL CONDUCT AUTHORITY

12.1 FCA publishes finalised guidance for firms that enables a risk-based approach to payments - 22 November 2024 - The FCA has published finalised guidance (FG24/6) for firms to support the Payment Services (Amendment) Regulations 2024 (SI 2024/1013), which extend the time that a payment service provider (PSP) has to process an outbound payment when there are reasonable grounds to suspect fraud or dishonesty. Among other things, FG24/6 sets out the requirements for determining whether the threshold for 'reasonable grounds to suspect' have been made, and obligations on PSPs if they delay an outbound transaction. The FCA has added this guidance to

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(and has published an updated version of) its Payment Services and Electronic Money Approach Document.

[Webpage](#)

13 FINANCIAL OMBUDSMAN SERVICE

- 13.1 Fraud and scam complaints hit highest ever level - FOS releases Q2 2024/25 data - 27 November 2024** - The Financial Ombudsman Service (FOS) has published its quarterly complaints data for Q2 2024/25, announcing that it received 73,692 new complaints between July and September 2024 which was an increase of more than 50% compared with the same period in the previous year. The FOS notes that the rise in complaints is partly due to the increasing complexity of the fraud and scam cases it receives, and that multi-stage frauds (where funds pass through several banks before reaching the fraudster) are now becoming more common.

[Quarterly complaints data: Q2 2024/25](#)

ENFORCEMENT //

14 FINANCIAL CONDUCT AUTHORITY

- 14.1 Systems and control failures - FCA publishes final notices and fines bank and trader - 26 November 2024** - The FCA has published final notices issued to Macquarie Bank Limited, London Branch (MBL) and one of its former traders, Travis Klein, for serious control failures that allowed Mr Klein to record over 400 fictitious trades. These trades were not detected earlier because of significant weaknesses in MBL's systems and controls, some of which the firm had previously been made aware of. Despite knowing of the weaknesses, MBL failed to put effective and timely plans in place to fix them.

MBL agreed to resolve the matter and has been fined £13 million, having qualified for a 30% discount. Mr Klein would have been fined £72,600 had he not provided verifiable evidence that the imposition of a financial penalty of any amount would cause him serious financial hardship.

[Press release](#)

- 14.2 UK MAR - FCA publishes final notice and fines former chief supply chain officer - 27 November 2024** - The FCA has published a final notice issued to András Sebők, former chief supply chain officer at Wizz Air Holdings plc (Wizz Air), fining him £123,550 for trading company shares when he wasn't permitted to, and failing to disclose his trades. Sebők carried out the trades in his capacity as a person discharging managerial responsibility (PDMR) at Wizz Air. This is the first time the FCA has fined a PDMR for trading company shares during a closed period under Article 19(11) of the UK Market Abuse Regulation (596/2014) (UK MAR), and the second time the FCA has fined a PDMR for failing to disclose personal trades under Article 19(1) of UK MAR.

[Final notice: András Sebők](#)

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- 14.3 FCA approach to publicising enforcement investigations - FCA launches second consultation on revised proposals - 28 November 2024** - The FCA has published a consultation paper (CP24/2, Part 2) containing the second phase of its consultation on proposals for a measured increase in transparency about its enforcement investigations (launched in February 2024, CP24/2).

Following feedback and parliamentary scrutiny, the FCA now proposes to give firms 10 days' notice (rather than one day) of an announcement, with an additional 48 hours' notice if the FCA decides to proceed with a public disclosure. The FCA also proposes to explicitly consider the potential reputational impact on firms as part of the public interest test, an element that was absent from the original proposals. The FCA has confirmed that it will not announce investigations which began before any changes to the policy come into effect. If the proposals were to come into effect, the FCA anticipates that they would only lead to additional proactive announcements of investigations into regulated firms in a very small number of cases.

The deadline for comments is 17 February 2025.

[FCA consultation paper: Greater transparency of our enforcement investigations \(CP24, Part 2\)](#)

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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.

Most of the projects that we advise on have an extensive international or cross-border element. We work in seamless integrated teams with leading independent law firms which offer many of the most highly regarded financial institutions lawyers in Europe, the US and Asia, as well as strong and constructive relationships with local regulators.

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](#).

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