

REPORT DATE: 17 February 2020

FILE /STATUS HEATMAP NO.	POLITICAL TIMELINE	CONTENT AND LATEST DEVELOPMENTS
<b>Benchmarks Regulation and IBOR transition</b> 1.1	ESMA recognised EURIBOR as BMR compliant: <b>5 Jul 2019</b> ECB working group on Euro risk-free rates issued final recommendations: <b>16 Jul 2019</b> End of BMR transitional period for critical & third-country BMs: <b>Dec 2021</b>	The final text on the low-carbon benchmarks includes an extension for EU critical and third-country benchmarks to 31 December 2021.  On 16 July 2019 the ECB working group on Euro risk-free rates issued its final non-binding legal action plan for the transition from EONIA to ESTER.  On 11 October 2019 the EC issued a broad <a href="#">consultation</a> on the review of the EU BMR. The consultation includes targeted questions on the current third country regime of the EU BMR.  <b>Current expectations are for the European Commission to launch a broad review of the EU Benchmarks Regulation in Q3 2020.</b>
<b>CRA Regulation IV</b> 1.2	ESMA Guidelines on supervisory reporting for CRAs: <b>5 Feb 2019</b> EC draft implementing equivalence decisions for non-EU countries under CRA: <b>11 Jun 2019</b> ESMA technical advice on sustainability considerations for CRA & final guidelines on disclosure requirements: <b>18 Jul 2019</b>	ESMA has recommended stronger fining powers and stronger say in fee structure of CRAs. There is a planned review of the rotation mechanism. Moreover, as part of a broader competition agenda aimed at breaking up the current monopoly of the big three CRAs coupled with the current sustainable finance agenda, there will be discussions around breaking this monopoly and encouraging more open competition.  On 5 February 2019 ESMA published its revised guidelines on the information that CRAs need to report to ESMA for supervisory reasons, introducing standardised reporting templates.  On 11 June 2019 the EC issued 9 draft implementing decisions on equivalence decisions for non-EU countries under the CRA Regulation. The EC is confirming equivalence for the US, Hong Kong, Mexico and Japan, while seeking to repeal equivalence decisions for Brazil, Argentina, Singapore, Canada and Australia.  On 18 July 2019 ESMA issued <a href="#">technical advice</a> on sustainability considerations for CRA and <a href="#">final guidelines</a> on disclosure requirements applicable to credit ratings following the call from the EC. ESMA advises against amending the CRA Regulation to mandate the consideration of ESG factors in rating assessments for the time being.
<b>MiFID3</b> 1.3	<b>EC consultation on review of MiFID 2/R: likely in February/March 2020</b> <b>MiFID 2/R review: H2 2020</b>	<b>This includes planned review clauses regarding equity and non-equity transparency calibrations, the functioning of trading venues, the transparency regime for new trading formats such as periodic auctions, the regime for commodity position limits and the ancillary activities test, as well as open access provisions between venues and CCPs, the provision of consolidated tapes for both equity and non-equity instruments, as well as more broadly the third country provisions of MiFID 2.</b>  <b>Current expectations are for a broad-based review of all aspects of the MiFID 2 framework, including the potential introduction of new transparency requirements for asset classes that are not covered so far – e.g. FX spot markets – and the potential expansion of trading mandates to cash products such as bonds.</b>
<b>EMIR Refit implementation</b> 1.4	Entry into force of EMIR Refit: <b>17 Jun 2019</b>  <b>Level 2</b> <ul style="list-style-type: none"> <li>• ITS on the reporting data standards and formats: <b>17 Jun 2020</b></li> <li>• RTS on risk mitigation techniques for bilateral OTC transactions: <b>17 Jun 2020</b></li> <li>• RTS and ITS on details of TR registration &amp; details for simplified procedure for requesting an extension of the registration: <b>17 Jun 2020</b></li> <li>• RTS on procedure for reconciling data between TRs and the verification procedures to be used by TRs: <b>17 Jun 2020</b></li> <li>• RTS on information published and made available by TRs: <b>17 Jun 2020</b></li> <li>• Extension of the PSA exemption from central clearing: <b>until 17 June 2021</b></li> </ul> <b>Reports</b> <ul style="list-style-type: none"> <li>• ESMA report on the new reporting framework: <b>end Q2 2020</b></li> </ul>	On 28 May 2019 EMIR Refit was published in the Official Journal of the EU. It entered into force on 17 June 2019. Most provisions started applying on that date.  Under the <a href="#">OJEU text</a> the reporting obligation shall not apply to intragroup transactions (on a global scale) where at least one of the counterparties is an NFC and the parent undertaking is an NFC. In addition, as a rule, FCs are responsible and legally liable for reporting on behalf of NFCs below the clearing threshold the details of derivatives contracts concluded between them. Furthermore, NFCs have a requirement to provide FCs with details they cannot be reasonably expected to have and that relate to the contract concluded between both parties.  In addition, the corporate hedging exemption is maintained as under EMIR 1.  Furthermore, regarding the clearing threshold the final text moves to an annual calculation of the clearing threshold for both FCs and NFCs based on month-end average for the previous 12 months. Going forward NFCs will only have to clear in the asset classes for which the clearing threshold is breached and not in all asset classes once one threshold is breached. Moreover, it introduces a requirement for counterparties to prove their calculations do not overestimate their exposures.  On 28 May 2019 ESMA issued guidance on the calculation method of the clearing threshold for NFCs, confirming that NFCs should have ready by 17

	<ul style="list-style-type: none"> <li>EC report on the new reporting framework: <b>end Q4 2020</b></li> </ul> <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>ESMA guidance on clearing threshold calculation: <b>28 May 2019</b></li> <li>ESMA Q&amp;A clarifies IGT exemption &amp; threshold calculations: <b>14 Jun 2019</b></li> <li>Application of most provisions: <b>17 Jun 2019</b></li> <li>ESMA no-action relief delaying implementation of the trading obligation for category 3 counterparties to 17 October to align with the clearing obligation phase-in: <b>12 July 2019</b></li> <li>Application of CCP margin model transparency: <b>17 Dec 2019</b></li> <li>Application of new reporting regime for NFCs, UCITS: <b>17 Jun 2020</b></li> </ul> <p>Application of new trade repository procedures and policies for verification of correctness and accuracy of data &amp; the FRANDT principle: <b>17 Jun 2021</b></p>	<p>June 2019 the results of the calculation of their aggregate month-end average position of the past 12 months.</p> <p>Regarding the notification process for intragroup exemption ESMA updated its EMIR implementation <a href="#">Q&amp;A</a> on 14 June 2019.</p>
<p><b>SFTR implementation</b> 1.5</p>	<p>EC adoption reporting RTS/ITS: <b>13 Dec 2018</b></p> <p>OJEU publication reporting RTS/ITS: <b>22 Mar 2019</b></p> <p>Phase-in of the reporting obligations by category of counterparties - <b>from 11 Apr 2020</b>:</p> <ul style="list-style-type: none"> <li>Cat 1: 11 April 2020</li> <li>Cat 2: 11 July 2020</li> <li>Cat 3: 11 October 2020</li> <li>Cat 4: 11 January 2021</li> </ul>	<p>The Securities Financing Transactions Regulation (SFTR) introduced a reporting regime for securities lending, margin lending, buy-back, and repo transactions. Specifically, the Regulation creates:</p> <ul style="list-style-type: none"> <li>Mandatory reporting of sec lending/ repo/ security financing transactions to a registered trade repository</li> </ul> <p>On 13 December 2018 the EC adopted the RTS and ITS on the details of SFTs to be reported to trade repositories under SFTR.</p> <p>On 22 March 2019 the reporting RTS and ITS were published in the Official Journal of the EU.</p>
<p><b>SFTR review</b> 1.6</p>	<p>EC Review of SFTR: <b>Apr 2022 (tbc)</b></p>	<p>Could cover issues such as the functioning of the reporting framework as well as the application of mandatory haircuts to uncleared SFTs. In SFTR there is currently a dual-sided reporting requirement for corporates.</p>
<p><b>Future of regulatory reporting</b> 1.7</p>	<p>EC conclusions on fitness check of reporting requirements: <b>07 November 2019</b></p>	<p>The Commission's main findings are that at the moment there does not seem to be significant overlap in data fields when it comes to supervisory reporting requirements across different pieces of legislation including MiFID, EMIR and SFTR. The Commission does however see room for further streamlining of supervisory reporting through exploring new technological solutions, a more prescriptive primary legislation process when it comes to setting out reporting requirements, and a stronger focus by supervisors on identifying the data sets that are needed for carrying out their mandates – potentially streamlining and reducing reporting requirements at a later stage to only those data sets that are strictly needed by supervisors in fulfilling their mandates.</p>
<p><b>FX markets</b> 1.8</p>	<p>Global code for Foreign Exchange Markets established: <b>Aug 2018</b></p> <p><b>Review of the FX Global Code: 2020</b></p>	<p>This is a non-legislative initiative meant to some conduct issues arising in FX markets in the past year. Whether this approach is going to be followed by concrete legislative action in Europe remains to be seen.</p>
<p><b>Market Abuse Regulation</b> 1.9</p>	<p><b>ESMA consulted on review of MAR/D framework</b></p> <p><b>Review proposal of MAR/D: 2020/21 (tbc.)</b></p>	<p><b>Potential inclusion of FX spot markets in the market abuse regime – raising concerns that this would inevitably result in an expanded scope of the MiFID 2 transparency and trading framework given the link between MAR and MiFID.</b></p>
<p><b>2019 Banking Package</b> 2.1</p>	<p><b>European Commission</b></p> <ul style="list-style-type: none"> <li>EC proposal to introduce FRTB as binding capital requirement: <b>H2 2020 (tbc)</b></li> </ul> <p><b>OJEU</b></p> <ul style="list-style-type: none"> <li>Publication of creditor hierarchy in the OJ: <b>27 Dec 2017</b></li> <li>Banking package: <b>07 Jun 2019</b></li> </ul> <p><b>Implementation</b></p> <ul style="list-style-type: none"> <li>Start reporting requirement standardised approach: <b>Q1 2021 (tbc)</b></li> <li>Internal model reporting requirement starts: <b>Q1 2024</b></li> </ul> <p><b>Reviews</b></p> <ul style="list-style-type: none"> <li>Next review of banking package: <b>June 2020 (see below)</b></li> </ul>	<p>On 07 June 2019 the so-called CRR II - CRD V along with the RRM package package was published in the Official Journal of the EU.</p> <p><b>Key points of the OJEU texts: <a href="#">CRD5</a>, <a href="#">CRR2</a> (including FRTB), include:</b></p> <ul style="list-style-type: none"> <li><b>Fundamental Review of the Trading Book (FRTB)/Market risk:</b> Introduces the FRTB as a reporting requirement only, meaning that for now market risk capital requirement will remain under the current CRR regime. EC will propose legislation in 2020 to turn this reporting requirement into a binding capital requirement. By end 2019 DA on standardized approach to market risk capital requirement as part of 2019 package implementation. EC will propose legislation in 2020 to turn this reporting requirement into a binding capital requirement.</li> <li><b>Leverage ratio (LR):</b> Set as a 3% binding ratio for all banks. The EU also applied the Basel III G-SIBs LR buffer, which can increase the LR for G-SIBs to up to 4.25%.</li> <li><b>Net Stable Funding Ratio (NSFR):</b> Introduces small changes to the Basel standard – simplifying the NSFR for smaller institutions for reporting – and, regarding the treatment of SFTs, lowering the stable funding factors.</li> <li><b>Resolution:</b> Reviews the EU resolution framework, with provisions amending the Banking Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism Regulation (SRMR) - <a href="#">BRRD2</a>, <a href="#">SRM2</a>. In the final text the moratorium powers are streamlined allowing resolution authorities to suspend all payment and delivery obligations, unless exempted, when an institution is failing or likely to fail – limited to the maximum of 2 days.</li> </ul>

<b>2020 Banking Package</b> 2.1	EBA technical advice reviewing the implementation of Basel IV: <b>05 Aug 2019</b>  EC consultation on Basel III implementation: <b>11 Oct 2019 – 06 Jan 2020</b> .  EBA technical advice on Market risk and CVA calculation: <b>04 December 2019</b>  EC proposal for a CRD6/CRR3 package implementing the Dec 2017 agreement: <b>Q2 2020 (most likely in June)</b>	Following the adoption of the 2019 banking package, the EC is expected to put forward a CRD6/CRR3 proposal in 2020 to implement the outstanding Basel IV standards. Key points would include: <ul style="list-style-type: none"> <li>• <b>FRTB:</b> EC is set to propose to turn the reporting requirement into a binding capital requirement.</li> <li>• <b>CVA calculation:</b> move to a revised standardised approach on CVA charge.</li> <li>• <b>Changes to credit risk calculations:</b> to standardised approach and internal model approach for credit risk.</li> <li>• <b>Changes to treatment of specialised lending and unrated corporates:</b> to how bank exposures to unrated corporates and loans to corporates for project and infrastructure finance or leasing will need to be capitalised by banks</li> <li>• <b>Changes to operation risk framework:</b> to introduce a new standard on calculating RWA capital requirements.</li> <li>• <b>Introduction of an output floor</b> – to reduce the variability between RWA calculations based on standardised vs internal models</li> </ul> <p>On 05 August 2019 the EBA delivered its <a href="#">technical advice</a> to the EC on the implementation of the Basel IV standards (expect for CVA and market risk, which is expected later this year).</p> <p>On 11 October 2019 the EC issued a <a href="#">consultation</a> on the implementation of Basel III. It notably addresses CVA risks although the EBA technical advice has not been published yet.</p> <p>On 04 December 2019, the EBA issued advice to the European Commission on the new CVA/market risk framework, recommending a phasing out of the CVA exemption for corporates and pension funds.</p>
<b>Crossborder payments</b> 3.1	OJEU publication: <b>23 Mar 2019</b>  Application start date: <b>15 Dec 2019</b>  Review: <b>by 19 Apr 2022</b> (tbc)	The text was published in the OJEU on 23 March 2019. It stipulates that payment service providers should levy the same charges for cross-border payments as for national payments. In addition, the 2019 amendment of the Regulation applies transparency requirements for currency conversion charges related to card-based transactions and credit transfers as well as for transactions that do not use dynamic currency conversion (DCC).  The regulation will start applying from 15 December regarding provisions for the equalisation of charges in Euro, whilst the transparency requirements for card-based transactions and credit transfers will apply from 19 April 2020 and the information requirements for non-DCC transactions apply as of 19 April 2021.
<b>SEPA</b> 3.2	SEPA Regulation: <b>2012</b>	Creates a binding framework for standardised SEPA transactions in the Euro area.  The ECB recently published a piece stating that whilst SEPA for bank-to-bank transactions has largely been achieved, SEPA for card payments is still a long way off.
<b>PSD2 Implementation/Upcoming review</b> 3.3	Application of RTS on strong customer authentication: <b>14 Sep 2019</b> EBA opinion extending SCA implementation until Dec 2020: <b>16 Oct 2019</b> <b>Review and expansion of PSD2: 2021 (tbc.)</b>	Final legislation includes an exemption for corporate treasury functions to not be considered tool be a payment service providers, and is therefore not subject to PSD2.  On 16 October 2019 the EBA issued an <a href="#">opinion</a> extending the implementation of the strong customer authentication (SCA) requirements to 31 December 2020.
<b>Interchange fee regulation</b> 3.4	OJEU publication: <b>19 May 2015</b> Review: <b>2020-2021</b>	The regulation capped interchange fees for cards issued and used in Europe (maximum of 0.2% for debit cards and 0.3% for credit cards).  The European Commission is expected to review the Interchange Fee Regulation in 2020 or 2021. DG COMP is currently conducting an impact study which will inform that review process.
<b>Instant payment adoption</b> 3.5	EPC SCT Inst scheme became operational: <b>Nov 2017</b> Eurosystem launched TIPS: <b>Nov 2018</b>	The ECB's TARGET Instant Payment Settlement (TIPS) enables instant clearing and settlement of retail payments.  The European Commission and the ECB are currently monitoring voluntary take-up of the scheme, and initial results are positive.  The European Commission is keen to see strong pick-up of the instant payments scheme, as it considers it the most effective way of reducing reliance on US card schemes / processors in the context of the international role of the Euro.  Given the strong rate of voluntary pick-up, the Commission might refrain from taking legislative action aimed at improving adoption rates.
<b>CMU 2.0</b> 4.1	Final report from FR, NL, DE CMU High Level Group: <b>09 Oct 2019</b> EC call for application for own CMU expert group: <b>10 Oct v2019</b> Council conclusions on CMU: <b>5 December 2019</b> Final report EC CMU expert group: <b>May 2020</b>	The CMU is a broad project of the European Commission with the objectives notably to improve liquidity and the autonomy of the EU capital markets.  It remains a priority in the next five years. On 09 October 2019, the High-Level Working Group led by France Germany and the Netherlands issued a <a href="#">report</a> setting out future CMU priorities, including measures enabling the creation of EU champions and promoting the international role of the Euro.

		<p>On 10 October 2019 the EC issued a <u>call for application</u> for its own expert group expected to finalise its work by May 2020.</p> <p>Expectations are for this group to also deliver conclusions on further steps for removing post-trade barriers in the EU. This ties into an EC workstream around the removal of Giovannini barriers in the post-trading space. This is meant to look at a range of emerging trends and issues in post-trading (including clearing, settlement, custody, collateral and well as post-trade reporting).</p>
<b>Public CBCR and C(C)CTB</b> 5.1	<p><b>CBCR</b> EC proposal on public CBCR: <b>12 Apr 2016</b> Final EP approval on ECON/JURI report: <b>04 Jul 2017</b> EP Plenary adoption of first reading agreement: <b>27 Mar 2019</b> Latest Council Working Group: <b>25 Jan 2019</b> Possible adoption of final Council position: <b>28 Nov 2019</b></p> <p><b>C(C)CTB</b> EC Corporate Tax Reform packaged: <b>25 Oct 2016</b> EP adoption in plenary of non-binding position on CCTB/CCCTB: <b>15 Mar 2018</b></p>	<p><b>Public CBCR</b> On 12 April 16, the Commission published the country-by-country reporting (CBCR) proposal which requires all companies operating in the EU with an annual turnover above 750m to publish on a country-by-country basis information on their profits, turnover, taxes paid, business activities and number of employees - per EU country, per tax haven and in aggregated form for the rest of the world.</p> <p>The latest drafting includes the possibility for a safeguard clause on disclosure of commercially sensitive information for a period of 4 years.</p> <p>Discussions between Member States have picked up and the Finnish Council presidency is expected to push for adoption of a Council position by the end of 2019.</p> <p><b>C(C)CTB</b> On 25 October 2016 the Commission published a legislative package on Corporate Tax reform, including proposal towards a mandatory Common Corporate Tax Base (CCTB), with an interim cross-border loss off-set mechanism, and a Common Consolidated Corporate Tax Base (CCCTB) as a second step when agreement is found on the first part of the proposal.</p> <p>The EP Plenary adopted its non-binding advice in support of both files on 15 March 2018, recommending restricting deductions to the tax base while proposing a solution to tax the digital economy. No agreement has been reached so far in Council.</p>
<b>OECD minimum effective foreign tax</b> 5.2	<p>OECD consultation on Global Anti-Base Erosion proposal: <b>08 November 2019 – 02 December 2019.</b></p>	<p>The proposal from the OECD looks at providing a minimum effective tax rate on foreign income of multinational companies by providing the possibility for jurisdictions to ‘tax back’ the companies where other jurisdictions have low or no minimum effective tax.</p>
<b>FTT</b> 5.3	<p>Next FTT-10 meeting: <b>Q1 2020</b></p>	<p>In 2019, the Austrians, with support from the Commission and advice from the French Treasury, are in the process of drafting the legal text of an EU FTT, which is being discussed by the FTT-10 tax experts.</p> <p>No deal has been reached thus far due to remaining disagreements around the mutualisation of the tax revenues.</p> <p>The latest version of the proposal exclusively applies to the acquisition in secondary markets of shares of listed companies whose head offices are in the voluntary Member States and who have a certain market capitalisation (currently the threshold being considered is EUR 1bn). Bonds, derivatives, shares/units in funds, pension funds, and other non-equity assets would be exempted.</p>
<b>EU FinTech &amp; Data Strategy</b> 7.1	<p>Publication of EC FinTech Action Plan: <b>8 Mar 2018</b> EC communication on Artificial Intelligence published: <b>25 April 2018</b> AI Ethics guidelines published: <b>8 Apr 2019</b> AI policy and investment recommendations: <b>26 Jun 2019</b> <b>White paper on AI: 19 February 2020</b> <b>Horizontal data governance framework: Q3 2020</b></p>	<p>The incoming EC has shown a clear intention to prioritise digital issues. This includes clear signals during the Commissioners’ hearings to develop the framework relating to data and artificial intelligence. The EC plans to adopt a new Fintech strategy in 2020.</p> <p><b>Artificial Intelligence:</b> The new European Commission committed to issuing a proposal on AI and ethics in its first 100 days with a white paper expected by 19 February, with a further initiative upon civil liability for AI to follow in H2 2020. This will likely be informed by the report of the relevant Expert Group on Liabilities and New Technologies released on 21 November 2019 and by the above-mentioned report on Regulatory Obstacles to Financial Innovation. As such, key questions may involve explainability and the balance between producer and operator.</p> <p><b>Outsourcing, cloud &amp; data strategy</b> Outsourcing arrangements have continued to receive increasing scrutiny in the context of security. Growing concern amongst EU policymakers about reliance and dependence on third-party ICT providers in financial services. Some things we could see in this regard are a mandatory rotation regime for any outsourcing arrangements by firms to third party infrastructure. Part of that of course is also EU displeasure at overreliance on non-EU ICT providers.</p> <p>This data strategy also covers cloud services and proposes several measures aimed to strengthen European influence over the cloud space in particular. These include signing a Memorandum of Understanding with Member States looking to interconnect European cloud capacities (Q3 2020), setting up an EU cloud services marketplace (Q2 2022) and creating a coherent framework for cloud services in the form of a rulebook encompassing codes of conduct and certification on security, energy efficiency, service quality, data protection and data portability (Q2 2022).</p>

		<b>Horizontal data governance framework to facilitate and enable data-sharing (Q3 2020) followed by sector-specific actions, including by DG FISMA.</b>
<b>Internationalisation of the euro</b> 7.2	<p>EC communication: <b>5 Dec 2018</b></p> <p>EC consultation on the role of the euro in non-energy non-agricultural raw materials- metals and minerals: <b>23 Jan 2019 – 22 Mar 2019</b></p> <p>EC consultation on the role of the euro in international trade of agriculture and food commodities: <b>23 Jan 2019 – 22 Mar 2019</b></p> <p>EC consultations on the role of the euro in transport means (aircraft / maritime &amp; railways): <b>23 Jan 2019 – 22 Mar 2019</b></p> <p>EC consultation on role of the euro and liquidity in FX markets: <b>25 Jan 2019 – 31 Mar 2019</b></p> <p>EC consultation on the role of the euro in the field of energy: <b>14 Feb - 31 Mar 2019</b></p> <p>EC published consultation responses: <b>12 Jun 2019</b></p>	<p>Emerging debate at the highest political level in the European Commission with regard to efforts of establishing the Euro as the global reserve currency and break reliance on the USD.</p> <p>The December 2018 EC communication announced a host of public-private collaborative workstreams to explore topics where shorter-term enabling policies could be pursued as such as developing euro area banks role in market-making activity in FX markets. Furthermore, the communication considers the extension of the clearing mandate under EMIR, and for the Commission to stimulate the development of European interest rate benchmarks.</p> <p>In Q1 2019 the EC conducted a series of public consultations on the international role of the euro, including on the role of the euro and liquidity in foreign exchange (FX) markets, as well as on the transportation and energy sectors.</p> <p>On 12 June 2019 the EC released the responses to its consultations launched earlier this year on the role of the euro in FX markets, energy, metals and minerals, agriculture and food, and transport. According to the EC's preliminary conclusions there is support to increase the euro's international role. A progress report on the international role of the euro agenda is expected for the second part of 2019.</p>
<b>Brexit</b> 7.3	<p>EC decision recognising UK CCPs as equivalent under EMIR for 12 months: <b>19 Dec 2018</b></p> <p>EC decision recognising UK CSDs as equivalent under CSDR for a period of 24 months in case no-deal Brexit: <b>19 Dec 2018</b></p> <p>EC adoption of EMIR amended RTS on contract continuity: <b>19 Dec 2018</b></p> <p>EC sixth Brexit preparedness Communication: <b>04 Sep 2019</b></p> <p>Bill to stop no-deal Brexit passed through UK Parliament: <b>06 Sep 2019</b></p> <p>New Brexit deal reached between UK &amp; EU-27: <b>17 Oct 2019</b></p> <p>UK General election: <b>12 Dec 2019</b></p> <p><b>UK has formally left the EU and entered the transition period: 31 Jan 2020</b></p> <p><b>Deadline of the current transition period: 31 Dec 2020</b></p>	<p>Biggest concern from a treasury management perspective at the moment is in the context of ensuring a solution, addressing all cliff-edge risks that could arise in the context of a no-deal scenario.</p> <p>On 11 April 2019 the EU-27 leaders agreed to extend the Brexit deadline to 31 October 2019.</p> <p>On 04 September 2019 the EC issued its latest Brexit preparedness communication, stressing that no more contingency measures would be adopted regarding the equivalence of central counterparties (CCPs) and central security depositories (CSDs).</p> <p>Following the extension of the Article 50 period to 31 January 2020, the UK government successfully brought a motion to the House of Commons triggering a UK general election on 12 December to unblock the deadlock in the House of Commons with regard to an approval of the renegotiated Withdrawal Agreement.</p> <p><b>The UK has left the EU and entered the transition period on 31 January 2020.</b></p>
<b>International economic sanctions</b> 7.4	<p>US withdraws from 2015 nuclear deal with Iran – sanctions re-imposed: <b>5 Nov 2018</b></p> <p>EU prolongs economic sanctions against Russia: <b>21 Dec 2018</b></p> <p>Iranian President announcement Iran will cease to honour key commitments of nuclear deal: <b>8 May 2019</b></p> <p>Joint statement by High Representative of the European Union and the Foreign Ministers of France, Germany and the United Kingdom on the nuclear deal: <b>9 May 2019</b></p> <p>US imposes new sanctions on Iranian officials: <b>24 June 2019</b></p> <p>EU Foreign Affairs Ministers adopt retaliatory measures against Turkey: <b>15 Jul 2019</b></p> <p>EU extends Russia sanctions by 6 months: <b>12 December 2019</b></p>	<p>The EU has announced a potential initiative that would see the creation of an alternative payments system that would allow companies to continue conducting business with Iran without having to rely on the SWIFT payments system.</p> <p>On 8 May 2019 Iranian President Hassan Rouhani warned that Iran would stop honouring key commitments of the 2015 nuclear deal by early July. The announcement raised concerns amongst the European signatories. A joint statement was issued by the High Representative of the European Union and the Foreign Ministers of France, Germany and the United Kingdom reaffirming their commitment to the nuclear deal and urging Iran to continue to comply.</p> <p>In the mist of increasing tensions in the Strait of Hormuz US President Donald Trump has imposed new sanctions on Iranian officials, notably on Ayatollah Khamenei, on 24 June 2019.</p> <p>On 15 July 2019 EU Foreign Ministers have adopted an initial set of retaliatory <u>measures</u> against Turkey as a reaction to its offshore drilling activities around Cyprus.</p> <p>On 13 September 2019 the EU extended the sanctions against individuals and entities allegedly involved in Russia's annexation of Ukrainian territory until 15 May 2019.</p>
<b>Cyber-resilience /hybrid threats</b> 8.1	<p>Discussion on resilience of financial services infrastructure at ECOFIN: <b>13-14 Sep 2019</b></p> <p>Council Conclusions on countering hybrid threats &amp; cyber resilience: <b>Dec 2019</b></p> <p><b>Potential financial services cyber resilience Act: H1 2020</b></p>	<p>It is expected that the new EC may put forward a cyber resilience Act for financial services in the early stages of its mandate to fill the existing gaps in existing EU legislation in areas including cyber incident reporting.</p> <p>In addition, the resilience of financial services infrastructure to hybrid threats is emerging as a key concern amongst policy-makers. EU Finance Ministers discussed at their September informal meeting the cyber resilience of EU financial services infrastructure, with expected Council conclusions in December.</p>
<b>AML &amp; KYC requirements</b> 8.2	<p>EC Communication &amp; 4 reports signal overhaul AML rules: <b>24 Jul 2019</b></p> <p>EC presented MS updated methodology on AML blacklist: <b>10 Oct 2019</b></p>	<p>AMLD5 includes enhanced due diligence measures for customers in high risk third countries and scoped in virtual currencies and wallet providers in the EU's AML framework.</p>

	<p>Deadline for Member States' transposition of AMLD5: <b>10 Jan 2020</b></p> <p><b>New EU AML Action plan: March 2020</b></p> <p><b>Review of EU AML framework: 2021</b></p>	<p>On 24 July 2019 the EC issued a <u>Communication</u> as well as 4 reports on the EU AML/CTF framework. Although remaining high-level the document signal that the Commission may look into turning the EU AML directive into a regulation, creating an EU AML supervisor, and improving cross-border cooperation between Financial Intelligence Units (FIUs).</p> <p>On 10 October 2019 the EC presented MS its updated methodology to add third countries to the EU's AML blacklist.</p> <p>The new European Commission is set to come forward with a communication on AML in March 2020, which will likely lead to further revisions to the EU's AML framework being proposed in 2021 – including an expansion of KYC requirements for obliged entities.</p>
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