

Pathfinder

Deloitte Monthly Regulatory Update

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Welcome to Pathfinder

Regulatory summary table – August 2014

Topic	Leg/Reg	Prof/Assoc
Alternative Investment Fund Managers Directive (AIFMD)		<p>ESMA guidelines on reporting obligations under Articles 3(3)(d) and 24(1), (2) and (4) of the Alternative Investment Fund Managers Directive – European Securities and Markets Authority 08/08/2014</p> <p> Original text</p>
Banks and investment firms: Branch passport notification – Services passport notification	<p>Commission Implementing Regulation (EU) No 926/2014 of 27 August 2014 laying down implementing technical standards with regard to standard forms, templates and procedures for notifications relating to the exercise of the right of establishment and the freedom to provide services according to Directive 2013/36/EU of the European Parliament and of the Council – Official Journal L 254 28/08/2014</p> <p> Original text</p>	
Capital Requirements Regulation (CRR)		<p>EBA final draft regulatory technical standards on the treatment of equity exposures under the internal ratings-based (IRB) approach according to Article 495(3) of Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR) – European Banking Authority 05/08/2014</p> <p> Original text</p>
Central Securities Depositories (CSDs)	<p>Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 – Official Journal L 257 28/08/2014</p> <p> Deloitte summary</p> <p> Original text</p>	

<p>European Market Infrastructure Regulation (EMIR)</p>		<p>ESMA final report: Guidelines and recommendations regarding the implementation of the CPSS-IOSCO principles for financial market infrastructures in respect of central counterparties - European Securities and Markets Authority 05/08/2014</p> <p> Original text</p>
<p>Exchange Traded Funds (ETFs) and other UCITS issues</p>		<p>ESMA guidelines for competent authorities and UCITS management companies - Guidelines on ETFs and other UCITS issues - European Securities and Markets Authority 01/08/2014</p> <p> Deloitte alert</p> <p> Original text</p>
<p>Money Market Funds (MMFs) and Credit Rating Agencies (CRAs)</p>		<p>ESMA opinion: Review of the CESR guidelines on a common definition of European money market funds - European Securities and Markets Authority 22/08/2014</p> <p> Original text</p>
<p>Payment Accounts Directive</p>	<p>Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features – Official Journal L 257 28/08/2014</p>	<p> Original text</p>
<p>Single Supervisory Mechanism (SSM)</p>		<p>EBA final templates for the 2014 EU-wide stress test - European Banking Authority 20/08/2014</p> <p> Original text</p>

Statistical data collection of financial companies BCL Regulation 2014/17 of 21 July 2014 on the statistical data collection of financial companies – *Banque centrale de Luxembourg / Mémorial A 156 11/08/2014*



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[Original text](#)

Supervisory reporting

EBA single rulebook questions and answers: Reviewed answers supervisory reporting – European Banking Authority 01/08/2014



[FAQ](#)

UCITS V

Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions – Official Journal L 257 28/08/2014



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Deloitte alerts and summaries

Central Securities Depositories (CSDs)

Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 – Official Journal L 257 28/08/2014

The CSD regulation aims to harmonise both the timing and conduct of securities settlement in Europe and the rules governing central securities depositories (CSDs) which operate the infrastructures enabling settlement. It creates for the first time at European level, a common authorisation, supervision and regulatory framework for central securities depositories.

Objective

The main objective of the CSD Regulation is to increase the safety and efficiency of securities settlement and settlement infrastructures in the European Union by providing, among others, for the following:

- Shorter settlement periods;
- Deterrent settlement discipline measures (mandatory cash penalties and “buy-ins” for settlement fails);
- Strict prudential and conduct of business rules for CSDs;
- Strict access rights to CSD services;
- Increased prudential and supervisory requirements for CSDs and other institutions providing banking services ancillary to securities settlement.

Statistics

There are over 30 CSDs in the European Union, generally one in each country and two 'international' CSDs (ICSDs – Clearstream Banking Luxembourg and Euroclear Bank).

Link with other legislative acts

The CSD Regulation harmonises legal aspects of securities settlement and the rules for CSDs at European level, allowing T2S – which harmonises operational aspects of securities settlement – to achieve its goals more effectively.

It has also a relationship with other legislative acts, such as the European Markets Infrastructure Regulation (EMIR) and the Markets in Financial Instruments Directive (MiFID).

In fact, there are three main types of institutions operating securities market infrastructures. The CSD Regulation therefore completes the regulatory framework for securities market infrastructures, alongside MiFID and EMIR.

Institutions operating securities	Role	Regulated by
Trading venues regulated exchanges, MTFs (multi-lateral trading facilities), OTFs (organised trading facilities)	Where the trading of securities takes place	MiFID
Central counterparties (CCPs)	Responsible for clearing of securities transactions	EMIR
CSDs	Responsible for settlement of securities transactions	CSD Regulation

Entry into effect

The CSD Regulation is binding in its entirety and directly applicable in all Member States.

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Exchange traded funds (ETFs) and other UCITS issues

ESMA guidelines for competent authorities and UCITS management companies - Guidelines on ETFs and other UCITS issues - European Securities and Markets Authority 01/08/2014

On 24 March 2014, ESMA had published its **final report** on the revision of its **guidelines on ETFs and other UCITS issues** intending to modify provisions on diversification of collateral and related disclosure (Please refer to our **Deloitte Regulatory News Alert “Revision of guidelines on collateral diversification for UCITS and updated Q&A”**).

On 1st August 2014, ESMA published the revised **guidelines on ETFs and other UCITS issues** including the transitional provisions:

- UCITS that exist before the publication of the revised guidelines on 1st August 2014 have 12 months to comply with paragraphs 43(e) and 48 modifying the provision on diversification of collateral and related disclosure in the annual report.
- They should update their prospectus with the revised provisions on collateral diversification at the earlier of the first occasion on which the prospectus is revised or 12 months after the application date of the guidelines.

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Statistical data collection of financial companies

BCL Regulation 2014/17 of 21 July 2014 on the statistical data collection from financial companies – *Banque centrale de Luxembourg / Mémorial A 156 11/08/2014*

This Regulation amending **BCL Regulation 2011/8 of 29 April 2011 concerning the collection of statistics from companies which grant loans or issue debt securities or derivative instruments to affiliates (BCL Regulation)** concerns companies contracting loans or issuing debt securities or financial products on behalf of related companies.

Scope of entities

Financial Company are now falling within the scope of the **BCL Regulation**, i.e. every company whose object includes at least one of the elements detailed below:

- The investment in any company for any kind of investment;
- The acquisition by subscription, purchase, exchange or in any other way of securities, shares and other equity investments, bonds, receivables, certificates of deposits and other debt instruments and in general all financial instruments issued by a public or private entity;

- To invest directly or indirectly in the acquisition and management of a real estate portfolio, of patents or other intellectual property rights whatever the nature or the origin;
- To borrow in any form;
- To lend funds to his shareholders, subsidiaries, affiliated companies, and/or any other entity.

Exemptions

Financial Companies with a balance sheet of less than EUR 500 million are exempt from the statistical reporting obligations; however, they are subject to the general notification obligation.

Exemption is granted to financial companies that are already subject to a statistical collection that meets the inherent needs in external statistics (i.e. statistical report covering the balance of payments and international investment position) such as:

- Credit institutions
- Mutual funds
- Venture capital companies (SICAR)
- Securitisation vehicles
- Insurance companies
- Reinsurance companies

Content of the reports

BCL Regulation 2014/7 amends certain code formats and nomenclature and introduces new breakdowns.

Timing

The Regulation will enter into force on 1st December 2014.

Financial Companies, subject to the obligations of Regulation 2011/8 applicable until 30 November 2014 included, must provide the first transmission of information defined in the BCL Regulation relating to the period from December 2014 to 21 January 2015.

Financial Companies that were not subject to the obligations of Regulation 2011/8 applicable until 30 November 2014, benefit from an additional 6-month period to provide the first reports; the reports from December 2014 to May 2015 must be transmitted by 26 June 2015 at the latest.

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For other topics, please click on hyperlinks presented in the regulatory summary table above.

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