

**Minutes of Meeting of the
City of London Law Society Regulatory Law Committee (the "Committee")**

Held on Tuesday 14 June 2022 at 12.30pm

via video conference

ATTENDEES

Present	Firm Represented
Karen Anderson	Herbert Smith Freehills LLP
Peter Bevan	Linklaters LLP
Nick Bonsall	Slaughter and May LLP
Simon Crown	Clifford Chance LLP
Richard Everett	Travers Smith LLP
Mark Kalderon	Freshfields Bruckhaus Deringer LLP
Brian McDonnell	McDonnell Ellis LLP
Hannah Meakin	Norton Rose Fulbright LLP
Simon Morris	CMS Cameron McKenna Nabarro Olswang LLP
Rob Moulton	Latham & Watkins LLP

1. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of the Committee held on 10 May 2022 were approved.

2. PRA: DISCUSSION PAPER ON THE PRUDENTIAL LIQUIDITY FRAMEWORK

A member reported their findings to the Committee on market announcements made by firms under MAR after the use of reserves. It was noted that the PRA's discussion paper on the prudential liquidity framework states that banks have a legal obligation to disclose under MAR. The member had considered the market announcements made following guidance to make timely announcements from the PRA during the Covid-19 pandemic.

The Committee acknowledged that the findings of this analysis may have resulted in the comments in the discussion paper regarding the reluctance of banks to make such announcements. It was agreed that no further response was required at this stage from the Committee.

3. **BOE: CONSULTATION PAPERS ON OUTSOURCING AND THIRD-PARTY RISK MANAGEMENT IN FINANCIAL MARKET INFRASTRUCTURES ("FMI")**

A member gave a summary of the three consultation papers from the Bank of England. It was acknowledged that the policy objective behind the consultation papers seems to be to provide guidance to FMIs around what is expected of them when they engage third-party providers, particularly with regard to technology, adding to the guidance on Operational Resilience.

The Committee discussed how these proposals interact with the Treasury's proposals regarding the designation of critical third-party service providers and the powers regulators may be granted in relation to these. It was agreed that there did not appear to be a need for the Committee to draft a formal response to the consultations at this time.

4. **FCA: CALL FOR INPUT ON HOW SYNTHETIC DATA IS BEING USED TO SUPPORT FINANCIAL SERVICES INNOVATION**

A member reported to the Committee on their discussion with the CLLS Data Law Committee regarding the call for input and confirmed that the CLLS Data Law Committee intended to respond to the FCA's call for input.

The concern regarding the proposed role of the regulator, especially in providing a data hosting platform, and the potential for moral hazard was discussed. However, it was agreed that there was no need for the Committee to respond specifically on this point and that the Committee would suggest to the CLLS Data Law Committee that it consider this specific point in its response.

5. **HMT/PRA: DISCUSSION / CONSULTATION PAPERS ON SOLVENCY II REVIEW**

It was noted that the Committee was awaiting a response from the CLLS Insurance Law Committee in respect of this paper.

6. **FCA: DISCUSSION PAPER ON PRIMARY MARKETS EFFECTIVENESS REVIEW**

The Committee briefly discussed this paper and its proposals regarding the listing principals and sponsors, but it was agreed there was nothing for the Committee to respond to from a regulatory law perspective.

7. **HMT: CONSULTATION PAPER ON MANAGING THE FAILURE OF SYSTEMIC DSA FIRMS**

The Committee discussed this paper, noting the Treasury's decision to apply the FMI administration regime to failing DSA firms and acknowledged the likely implications for proposals in relation to stablecoins in the future.

It was agreed that whilst there was no need for the Committee to respond at this stage, it would follow developments in this space, and consider discussing this with the CLLS Insolvency Law Committee.

8. **OTHER PAPERS TO WHICH THE COMMITTEE MAY RESPOND**

The PRA: Consultation Paper on the Strong and Simple Framework, which was to be discussed at this meeting, will be discussed at the next meeting following the member who agreed to present this paper being unable to attend.

9. **AOB**

9.1 **Letter to the FCA on setting expectations through soft guidance**

The Committee discussed the draft letter to the FCA and any specific examples of enforcement based upon guidance in thematic reviews. It was agreed that any final comments on the draft would be circulated by COB the following day.

9.2 **July meeting**

It was agreed that the next meeting will take place on 12 July and will be held in person. It was agreed that in the Chair's absence, another member would chair the meeting.



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Karen Anderson

Chair, CLLS Regulatory Law Committee