

MACFARLANES

Investment management update - October 2024

10 October 2024

Welcome to the latest edition of our investment management update.

This publication has been tailored to highlight topical news, cases and changes in the law impacting the investment management sector.

UK

- Q&A guidance on updated UK EMIR reporting requirements apply from 30 September 2024 for Trade Repositories. Question 1.22b addresses some of the challenges around the missing execution agent field as part of the FCA's EMIR reporting schema. The FCA has stated that it intends to address this after the introduction of the new reporting requirements. In the interim, the FCA encourage relevant firms to engage with their Trade Repository, entities responsible for reporting, and reporting counter parties to consider any reasonable steps that could be taken to ensure the accuracy of their reporting.

[UK EMIR Trade Repositories: draft questions and answers | FCA](#)

- On 27 September, the FCA published an update following its April consultation on extending the Sustainability Disclosure Requirements (SDR) and investment labels regime to portfolio management set out in CP24/8: Extending the SDR regime to Portfolio Management. The FCA has stated that it is carefully considering the feedback to the consultation and intends to publish a Policy Statement and further information about implementation in Q2 2025. The FCA also stated that it is aware that it is taking longer than expected for some asset managers to comply with the SDR and labelling regime and of the potential impact this might have on portfolio managers.

[CP24/8: Extending the SDR regime to Portfolio Management | FCA](#)

- On 24 September 2024, Therese Chambers, FCA Joint Executive Director of Enforcement and Market Oversight, delivered a speech outlining the FCA's evolving approach to enforcement, emphasising a focus on cases with the greatest risk of harm and potential for deterrence. The speech also responded to the industry backlash to the FCA's proposals for greater transparency throughout investigations. See our [blog](#) for further information.

[Change for the better: the FCA's evolving approach to enforcement | FCA](#)

- In a speech given on 24 September 2024, Sarah Pritchard, FCA Executive Director of Markets and Executive, discussed, amongst others, the FCA's approach to a new regulatory framework, the

need to reform the advice market and FCA expectations of firms' implementation of the Consumer Duty.

[Like London's Roman Wall, financial rules must adapt | FCA](#)

- On 19 September 2024, HM Treasury and the FCA announced further measures as part of their proposed reforms to retail disclosure requirements, including forbearance on investment trust disclosure requirements. HM Treasury plans to introduce legislation to exempt UK listed investment trusts from certain existing disclosure requirements under the UK's Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation and MiFID Org Regulation until the new framework is in place.

[FCA announces reforms to financial services retail-disclosure requirements](#)

[FCA statement on forbearance in relation to investment trust disclosure requirements](#)

- On 18 September 2024, the FCA published its findings on firms' implementation of the price and value outcome under the Consumer Duty. The review focused on cash savings accounts, GAP insurance and cash balances held by platforms, providing examples of good and poor practices for all sectors to consider. The FCA highlighted the importance of holistic consideration of Consumer Duty outcomes, effective target market identification, analysis of cross-subsidies, proportionate evidence gathering and prompt action to ensure fair value.

[FCA reviews implementation of consumer duty price and value outcome rules](#)

- On 11 September 2024, in preparation of the Overseas Fund Regime (OFR) gateway opening, the FCA updated its OFR webpage to provide practical guidance on the information required for submitting applications and the FCA's expectations of operators of overseas funds. These updates are set out in our [blog](#).

[Overseas Funds Regime: Update for firms | FCA](#)

- On 9 September 2024, the FCA published a statement on their naming and marketing rules within their SDR regime. The naming and marketing rules are not due to apply until 2 December 2024. The FCA's statement provides temporary forbearance, which will give asset managers until 5pm on 2 April 2025 to comply with the new rules. The forbearance applies only to UK authorised investment funds in exceptional circumstances where the firm: (i) has submitted a completed application for approval of amended disclosures by 5pm on 1 October 2024; and (ii) is currently using one or more of the terms "sustainable", "sustainability" or "impact" (or a variation of those terms) in the name of that fund and is intending either to use a label, or to change the name of that fund. The FCA have made it clear that they expect firms to comply with the rules as soon as they can, without waiting until 2 April 2025. See our [blog](#) for further information.

[FCA announces temporary measures on naming and marketing sustainability rules](#)

- On 6 September 2024, the FCA published its latest quarterly consultation paper (CP24/18). The FCA proposes to amend COLL 5.6.10R(3) to allow non-UCITS retail schemes (NURS) to invest in

long-term asset funds (LTAFs) without being subject to existing restrictions. The deadline for responses is 11 October 2024.

[CP24/18: Quarterly Consultation No 45 | FCA](#)

- On 6 September 2024 the FCA published its findings on how principals are embedding new rules for overseeing appointed representatives. The FCA set out examples of good practice and areas for improvement for firms to consider. Jane Savidge, Interim Head of Department for Appointed Representatives said that “some firms have been embedding our rules well, but some aren’t getting the basics right and are taking a ‘bare minimum’ approach”.

[Oversight of ARs improving but more to do, says FCA | FCA](#)

[Principal firms embedding the new rules for effective appointed representative oversight: Good practice and areas for improvement | FCA](#)

- On 5 September 2024, the FCA published its 2023/2024 Enforcement Data. The data shows the FCA’s focus on reducing and preventing financial crime with more ‘operations’ relating to this area than any other. The data also shows an increase in the use of criminal, or dual-track, investigations.

[FCA Enforcement data 2023/24 | FCA](#)

- In a speech given on 5 September 2024, Sarah Pritchard, FCA Executive Director, Markets and Executive Director, highlighted that fighting financial crime is a priority for the FCA and a key commitment in the FCA’s three year strategy. She discussed how the FCA is focussing on strategic partnerships as a means of prevention and the FCA’s use of new technology to disrupt criminal activity.

[A targeted and outcomes-based approach to tackling financial crime | FCA](#)

- On 5 September 2024, the FCA announced the end of LIBOR after the final publication of the remaining synthetic LIBOR settings on 30 September 2024.

[The end of LIBOR | FCA](#)