

## 1. SUMMARY OF LIVE PRIORITIES

FILE NAME	KEY CONCERNS - ASPECTS FOR EACT	EACT ACTIONS	KEY DATES/ IMPLEMENTATION DEADLINES
<b>IBOR transition &amp; review of EU Benchmarks Regulation</b>	<ul style="list-style-type: none"> <li>Preparation for transitioning away from LIBOR benchmarks.</li> <li>Exemption for non-EU spot FX rates, statutory fallback mechanism for LIBOR and extension of transition period for use of third-country rates.</li> </ul>	EACT will respond to consultation on statutory fallbacks where relevant	<ul style="list-style-type: none"> <li><b>12 Feb 2021:</b> Publication of revised <a href="#">EU Benchmarks Regulation</a> in Official Journal empowering the European Commission to designate replacement rates</li> <li><b>05 Mar 2021:</b> Formal <a href="#">announcement</a> of LIBOR cessation</li> <li><b>29 Sep 2021:</b> FCA <a href="#">conclusion</a> on publication of GBP and JPY synthetic rates</li> <li><b>29 Sep - 20 Oct 2021:</b> FCA <a href="#">consultation</a> on legacy use of synthetic rates</li> <li><b>22 Oct 2021:</b> Publication of implementing acts on <a href="#">CHF LIBOR</a> and <a href="#">EONIA replacement rates in EU Official Journal</a></li> <li><b>Q4 2021:</b> FCA to publish its conclusion on legacy use of synthetic rates</li> <li><b>31 Dec 2021:</b> Cessation of most LIBOR settings</li> <li><b>30 Jun 2023:</b> Cessation of USD LIBOR 1-, 3-, 6- and 12-month settings</li> <li><b>2022/2023 (tbc):</b> Broader review of the Benchmark Regulation</li> <li><b>31 Dec 2023 (extendable to 31 Dec 2025):</b> New end of transition period for use of third-country benchmarks</li> </ul>
<b>Payments</b>	<ul style="list-style-type: none"> <li>Wider adoption of SCT Inst. Scheme.</li> <li>Broader harmonisation of card processing and payment schemes across the EU.</li> <li>Adoption of harmonised settlement times, messaging standards and leveraging secure identities in cross-border payments.</li> </ul>	<p>Advocacy leading up to review of PSD2 and the SEPA Regulation</p> <p>EACT responded to EC consultation on instant payments</p>	<ul style="list-style-type: none"> <li><b>24 Sep 2020:</b> Publication of EU <a href="#">Retail Payments Strategy</a></li> <li><b>13 Oct 2020:</b> Publication of FSB <a href="#">roadmap</a> on cross-border payments</li> <li><b>26 Nov 2020:</b> EPC publication of <a href="#">2021 SEPA payment scheme rulebook</a></li> <li><b>30 Nov 2020:</b> EPC publication of first <a href="#">SEPA Request to pay rulebook</a></li> <li><b>31 Mar 2021:</b> Commission <a href="#">consultation</a> on instant payments</li> <li><b>30 Jun 2021:</b> Review of Consumer Credit Directive (CCD)</li> <li><b>Q2 2022 (tbc):</b> Possible review of the SEPA Regulation to mandate instant payments</li> <li><b>Late 2022:</b> Review of Payment Services Directive (PSD2)</li> </ul>
<b>Harmonisation of data standards and digital identity</b>	<ul style="list-style-type: none"> <li>Adoption of common standards to facilitate secure cross-border operations, including payments.</li> </ul>	Supportive of broader integration of trusted digital identifiers	<ul style="list-style-type: none"> <li><b>19 Oct 2020:</b> The European Systemic Risk Board (ESRB) recommendation on integration of Legal Entity Identifier (LEI) in financial regulation with potential EU-wide regulatory framework</li> <li><b>02 Sep 2021:</b> ESRB <a href="#">recommendation</a> on ways forward to promote a wider adoption of the LEI, notably by non-financial companies</li> </ul>
<b>Digital Finance and capital markets Union</b>	<ul style="list-style-type: none"> <li>Greater use of digital standards in compliance.</li> <li>Innovation-friendly regulatory</li> </ul>	EACT to monitor developments	<ul style="list-style-type: none"> <li><b>24 Sep 2020:</b> Publication of EU <a href="#">Digital Finance Strategy</a></li> <li><b>24 Sep 2020:</b> Proposal on Digital and Operational Resilience Act (<a href="#">DORA</a>) for Financial Services</li> </ul>

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	ecosystem in the EU.		<ul style="list-style-type: none"> <li>• <b>24 Sep 2020:</b> Proposal Crypto-asset Regulation (<a href="#">MiCA</a>) and a <a href="#">pilot regime</a> for DLT-based market infrastructure</li> <li>• <b>24 Sep 2020:</b> Capital Markets Union action plan (<a href="#">CMU</a>)</li> <li>• <b>23 Nov 2021:</b> Proposal for European Single Access Point (ESAP) for company information</li> <li>• <b>H2 2022:</b> Proposal for EU Listing Act</li> </ul>
<b>EMIR Refit</b>	<ul style="list-style-type: none"> <li>• Concerns over implementation of the intragroup reporting exemption.</li> </ul>	Prepare for EMIR review reports	<ul style="list-style-type: none"> <li>• <b>18 Mar 2021:</b> European Supervisors' <a href="#">clarification</a> on collateral exemption for intragroup transactions</li> <li>• <b>31 Mar 2021:</b> ESMA <a href="#">clarification</a> on intragroup reporting for non-EU firms</li> <li>• <b>Q4 2021:</b> UK FCA consultation on EMIR Refit implementation</li> <li>• <b>Q4 2021:</b> Adoption of ESMA's technical standards on reporting, data quality, data access and registration of trade repositories</li> <li>• <b>Q4 2021/Q1 2022:</b> ESMA guidelines on derivatives and trade repository reporting</li> <li>• <b>Jun 2022:</b> End of exemption for pension fund clearing obligation</li> <li>• <b>H2 2022:</b> Entry into force of technical standards for new reporting regime</li> <li>• <b>18 Jun 2024:</b> EMIR review clause</li> </ul>
<b>FTT</b>	<ul style="list-style-type: none"> <li>• Avoid punitive financial transaction tax (FTT) that makes issuance by corporates less attractive and more burdensome.</li> </ul>	To monitor and advocate where necessary	<ul style="list-style-type: none"> <li>• <b>End 2022:</b> Commission deadline for agreement on FTT 10 workstream to present proposal</li> <li>• <b>2024:</b> Potential proposal on EU-wide FTT</li> <li>• <b>1 Jan 2026:</b> EU FTT implementation as new EU-own revenue resource</li> </ul>
<b>Brexit</b>	<ul style="list-style-type: none"> <li>• Concerns on market fragmentation.</li> <li>• Cross-border provision of financial services is explicitly not covered in the EU-UK trade agreement.</li> <li>• Continued regulatory uncertainty around EU equivalence decisions and political tensions.</li> </ul>	Raise awareness on obstacles to cross-border market activity	<ul style="list-style-type: none"> <li>• <b>24 Dec 2020:</b> EU-UK <a href="#">trade and cooperation agreement</a></li> <li>• <b>31 Dec 2020:</b> UK leaves EU</li> <li>• <b>31 Dec 2020:</b> UK FCA <a href="#">allows</a> UK firms to execute trades on behalf of EU clients in EU venues by modifying UK Derivatives Trading Obligation</li> <li>• <b>Q4 2021 (tbc):</b> Memorandum of Understanding on Financial Services Regulatory Cooperation</li> <li>• <b>Jun 2022:</b> End of EU <a href="#">temporary equivalence</a> granted to UK Central Counterparties (CCPs)</li> <li>• <b>End 2024:</b> Review of EU-UK trade and cooperation agreement</li> <li>• <b>28 Jun 2025:</b> Expiry of EU-UK data adequacy decision</li> </ul>

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<b>Basel III implementation</b>	<ul style="list-style-type: none"> <li>Maintain credit value adjustment (CVA) exemption.</li> <li>Adequate treatment for specialised lending, trade finance, and exposure to unrated corporates.</li> <li>Avoid higher transaction costs with bank counterparties.</li> </ul>	EACT to engage on relevant aspects	<ul style="list-style-type: none"> <li><b>27 Oct 2021:</b> Proposal to review EU prudential regulation (CRR/CRD) implementing Basel III</li> <li><b>Jan 2023:</b> deadline for implementation of prudential regulation proposed by Basel III package</li> </ul>
<b>Debt-Equity Bias Reduction Allowance (DEBRA)</b>	<ul style="list-style-type: none"> <li>Promote the use of equity financing through tax measures.</li> <li>Potential benefits of reducing costs of raising capital on capital markets but possible increase in cost for borrowing</li> </ul>	To monitor and advocate where necessary	<ul style="list-style-type: none"> <li><b>1 Jul 2021:</b> Initial Commission <a href="#">consultation</a> on DEBRA (deadline 7 Oct 2021)</li> <li><b>Q1 2022 (tbc):</b> DEBRA proposal</li> </ul>
<b>MiFIR review</b>	<ul style="list-style-type: none"> <li>Post-trade transparency regime for hedging derivatives and bonds.</li> <li>Re-location of cash markets and possible introduction of bond trading obligation.</li> </ul>	To monitor closely and advocate proactively on transparency and non-equity market structure topics	<ul style="list-style-type: none"> <li><b>23 Nov 2021 (tbc):</b> Proposal on MiFIR review</li> </ul>
<b>Money Market Fund (MMF) Regulation Review</b>	<ul style="list-style-type: none"> <li>Continued availability of CNAV and LVNAV fund structure.</li> </ul>	To monitor and advocate where necessary EACT responded to ESMA consultation	<ul style="list-style-type: none"> <li><b>26 Mar 2021:</b> ESMA <a href="#">consultation</a> on review of EU MMF rules</li> <li><b>11 Oct 2021:</b> FSB <a href="#">report</a> on global MMF reform options for G20</li> <li><b>By end of 2022:</b> ESMA and European Systemic Risk Board (ESRB) publication of final recommendations on EU MMF reforms</li> <li><b>2022 (tbc):</b> Proposal on EU MMF review</li> </ul>
<b>Sustainable Finance</b>	<ul style="list-style-type: none"> <li>Impact on ability of corporates to issue debt/equity depending on design of EU Taxonomy.</li> <li>Additional direct and indirect ESG disclosure requirements for corporates.</li> </ul>	EACT to engage on creation of EU Green Bond Standard To monitor discussion on ESG ratings	<ul style="list-style-type: none"> <li><b>21 Apr 2021:</b> Proposal on sustainability disclosure requirement for corporates (<a href="#">CSRD</a>)</li> <li><b>6 Jul 2021:</b> Renewed <a href="#">Sustainable Finance Strategy</a></li> <li><b>6 Jul 2021:</b> Proposal for EU <a href="#">Green Bond Standard</a></li> <li><b>Q4 2021 (tbc):</b> Proposal on Sustainable Corporate Governance</li> <li><b>1 Jan 2022:</b> Application of EU Taxonomy corporate reporting obligation on climate change mitigation and adaptation</li> </ul>

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			<ul style="list-style-type: none"> <li><b>1 Jan 2023 (tbc):</b> Application of CSRD replacing <a href="#">NFRD</a></li> </ul>
<b>AML / KYC review</b>	<ul style="list-style-type: none"> <li>Support for greater harmonisation of anti-money laundering (AML) and know your customer (KYC) requirements.</li> <li>Support for more centralised enforcement through EU AML Agency (AMLA).</li> </ul>	To monitor and engage with policymakers where necessary	<ul style="list-style-type: none"> <li><b>7 May 2020:</b> Renewed EU <a href="#">AML Action Plan</a></li> <li><b>20 Jul 2021:</b> Review of EU <a href="#">AML framework</a> to reinforce and harmonise rules and create EU level supervision by AMLA</li> </ul>

## 2. ALL RELEVANT ISSUES

FILE NAME	POLITICAL TIMELINE	CONTENT AND LATEST DEVELOPMENTS	RELEVANCE TO EACT
<b>1. Capital Markets</b>			
<b>Benchmark Regulation and IBOR transition</b>	<p><b>27 Jul 2012:</b> LIBOR scandal exposes manipulation of interest rates benchmarks</p> <p><b>July 2013:</b> <a href="#">ISOCO Benchmark Principles</a> render most LIBOR benchmarks uncompliant with these requirements</p> <p><b>5 Jul 2019:</b> Following changes to its methodology, ESMA recognises EURIBOR as BMR compliant</p> <p><b>12 Feb 2021:</b> Publication of <a href="#">revised EU Benchmarks Regulation</a> in EU Official Journal</p> <p><b>5 Mar 2021:</b> Formal UK FCA <a href="#">announcement</a> of LIBOR cessation</p> <p><b>29 Sep 2021:</b> FCA decision to require the publication of GBP+JPY synthetic rates</p> <p><b>29 Sep 2021:</b> FCA consultation on legacy use of 'synthetic' rates (deadline 20 Oct 2021)</p>	<p><b>LIBOR</b></p> <p>Following the 2012 LIBOR manipulation scandal, authorities globally sought to find a solution to void reliance on rates produced by contributions – which are vulnerable to manipulations – and towards rates that are based on reported transactions. This will culminate in the publication of most LIBOR setting ceasing in 2021 and all LIBOR by June 2023.</p> <p>This effort to guarantee the transparency and integrity of important benchmarks led some regulators to introduce requirements. On a global scale, this resulted in the IOSCO benchmarks Principles a set of non-binding. At an EU level, the adoption of the Benchmarks regulation (BMR) resulted in the most ambitious rulebook of its kind.</p> <p>In 2020, the BMR was reviewed in the EU to give the European Commission the powers to designate statutory replacement rates in contract which referred to LIBOR rates. This power is meant to provide legal certainties for contracts currently pegged to LIBOR which cannot be renegotiated.</p> <p>On 29 September 2021, the UK FCA confirmed that it will require the continued publication of the 1-, 3- and 6-month sterling (GBP) and Japanese yen (JPY) LIBOR settings under a synthetic methodology throughout 2022. with a changed methodology on the basis of a forward-looking version of the risk-free-rate.</p> <p>The FCA confirmed its methodology as:</p>	<p>Challenge of transitioning to new risk-free rates, including getting software systems operational and transitioning all relevant contracts, including with external suppliers to new rates.</p> <p>Supportive of statutory fallback mechanism</p> <p>Potential issues for risk management as a result of inability to use non-EEA benchmarks following the end of the current transition period.</p>

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	<p><b>22 Oct 2021:</b> Publication of implementing acts on <a href="#">CHF LIBOR</a> and <a href="#">EIONIA</a> replacement rates in EU Official Journal</p> <p><b>Q4 2021 (tbc):</b> FCA conclusions on legacy use of synthetic rates</p> <p><b>31 Dec 2021:</b> Cessation of most LIBOR settings</p> <p><b>30 Jun 2023:</b> Cessation of remaining USD LIBOR 1-, 3-, 6- and 12-months settings</p> <p><b>2022/2023 (tbc):</b> Broader review of the Benchmark Regulation</p> <p><b>31 Dec 2023:</b> New end of transition period for use of third-country benchmarks (potential extension to 31 Dec 2025)</p>	<ul style="list-style-type: none"> <li>forward-looking term versions of the relevant risk-free rate (i.e. the ICE Term SONIA Reference Rates provided by ICE Benchmark Administration for sterling, and the Tokyo Term Risk Free Rates (TORF) provided by QUICK Benchmarks Inc., adjusted to be on a 360 day count basis, for Japanese yen), plus</li> <li>the respective ISDA fixed spread adjustment (that is published for the purpose of ISDA's IBOR Fallbacks for the 6 LIBOR settings)</li> </ul> <p>On 29 September 2021, the UK FCA also launched a consultation on the use of certain LIBOR rates proposing the following:</p> <ul style="list-style-type: none"> <li>permitting the legacy use of 1-, 3- and 6-month sterling and 1-, 3- and 6-month Yen LIBOR from 1 January 2022.</li> <li>prohibiting new use of overnight, 1-, 3-, 6- and 12-month USD LIBOR.</li> </ul> <p>Under the FCA's latest thinking, the use of synthetic rates would be permitted for all contracts except cleared derivatives (through a CCP or non-centrally).</p> <p><b>On 22 October 2021, the Implementing Acts (IA) designating SARON as the replacement rate for CHF LIBOR and ESTER as the replacement rate of EONIA were published in the OJEU clearing the way for the replacement of rates to take effect on the day of cessation.</b></p> <p><b>The EU Benchmark Regulation (BMR)</b></p> <p>The BMR is the EU's rulebook on Benchmarks. The objective of the BMR is to ensure all benchmarks used by EU regulated entities comply with methodological criteria.</p> <p>Since a critical number of benchmarks used by EU firms are administered outside the EU, the BMR plans to restrict the use only to recognised benchmarks. This is called the third country regime and has proven contentious as the BMR does not have equivalents in other jurisdictions therefore only a fraction of benchmarks outside the EU could still be used by EU entities should the third country regime enters into force in 2023.</p> <p>The BMR has two review clauses: 1) by 31 Dec 2022 review of the low carbon benchmarks regime and 2) by June 2023 through the third-country regime.</p>	
<p><b>Credit Rating Agencies Regulation (CRAR)</b></p>	<p><b>30 Sep 2021:</b> ESMA <a href="#">opinion</a> calling for a legislative review of CRAR</p> <p><b>2023:</b> Potential proposal on ESG ratings</p> <p><b>Until 2031:</b> Potential initiative to encourage corporates to obtain credit ratings in the context of Basel III</p>	<p>The Credit rating agencies (CRA) market has been a politically contentious issue since the 2008 crisis. Recently, CRAs have been under renewed scrutiny in the context of sustainable finance and ESG ratings.</p> <p>Opening the CRA rulebook would create many uncertainties as many voices in the European Parliament and across Member States express concerns over the market power of the three big CRAs (S&amp;P, Moody's, and Fitch).</p> <p>Impact on the structure of the CRA market could impact issuance operations for corporates, with immediate impact on the cost of obtaining a rating.</p> <p>On 30 September 2021, ESMA published an opinion calling for a targeted legislative review of the CRA regulation. The proposed changes focus primarily on the use and access to credit ratings by market participants, with ESMA considering including credit ratings within the European Single Access Point (ESAP).</p>	<p>If the CRA market is reshaped by law (e.g. mandatory rotation) this could impact corporate issuance.</p>

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		<p>On 27 October 2021, the EC published its banking package which introduced a temporary lenient treatment of unrated corporates with a view of increasing the number of corporates receiving credit ratings through various upcoming incentives – potentially mandating credit ratings.</p>	
<p><b>EU Listing Act</b></p>	<p><b>15 Oct 2021:</b> First debate and presentation from the Commission to Member States</p> <p><b>Nov 2021:</b> Consultation on upcoming proposal</p> <p><b>H2 2022 (tbc):</b> Legislative proposal</p>	<p>The EU Listing Act will seek to simplify the listing rules for public markets. It was a central aspect of the Commission’s 2020 Capital Markets Union (CMU) <a href="#">action plan</a>.</p> <p>This simplification is likely to take place through a review of existing rules on prospectuses and market abuse along with other aspects of the current EU rulebook with early focus potentially aimed at:</p> <ul style="list-style-type: none"> <li>• <b>Potential inclusion of spot FX contracts within the scope of MAR</b> – recognising the possible regulatory gap in the area of spot FX contracts, but concluding on the need for the FX Global Code of Conduct to be revised and more embedded into the market before promoting an amendment of MAR. As the FX Global Code of Conduct was updated in 2021, it is unclear what the European Commission’s position on this will be.</li> <li>• <b>Alleviate listing rules</b> – to reduce costs of listing for both SME and non-SME issuers, notably by limiting the size of the prospectus for SME IPOs and allowing a new simplified prospectus for secondary issuances.</li> <li>• <b>Simplify the market abuse regime</b> – with the report recommending to simplify the content of insider lists for all issuers and to clarify what constitutes inside information as well as when it should be disclosed.</li> <li>• <b>Simplify access to ESG disclosures</b> – by introducing a tailored framework for ESG information to be disclosed by SMEs on a voluntary basis as part of the ongoing non-financial disclosure workstreams, as well as including ESG data in the upcoming European Single Access Point (ESAP) – an EDGAR-type central registry of corporate data.</li> <li>• <b>Introduce good corporate governance principles</b> – with a set of principles that could encompass reporting of related party transactions and the appointment of an independent director for certain issuers.</li> </ul>	<p>The Listing Act will re-open a number of key files for EACT including the Prospectus and Market Abuse rulebooks.</p>
<p><b>Prospectus Regulation quick fix &amp; Review of Regulation</b></p>	<p><b>26 Feb 2021:</b> Publication in Official Journal of the EU of <a href="#">Recovery Prospectus</a> regulation</p> <p><b>H2 2022 (tbc):</b> Proposal to review Prospectus Regulation through the “EU Listing Act”</p> <p><b>31 Dec 2022:</b> Expiry of the Recovery Prospectus</p>	<p>Changes to the prospectus rulebook were made in the wake of the covid crisis to stimulate the post-crisis recovery by lowering requirements of issuance. The revised regulation introduces a lower prospectus burden for already listed companies (for a period of 18 months) when tapping markets for further funding. The proposal therefore suggests the creation of a new short form prospectus – “the EU recovery prospectus” – to enable companies to access public markets more efficiently. The simplified prospectus is only be available for share issuance and not for debt issuance and until 31 December 2022.</p> <p>Further changes to the prospectus rulebook are likely to be implemented in the context of the forthcoming EU listing act which aims to facilitate and promote public listings for EU companies.</p>	<p>Reduced operational burden for issuance as a result of a more simplified prospectus</p>

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<b>Market Abuse Regulation Review</b>	<p><b>15 May 2019:</b> Commission asked ESMA to submit technical advice on the review of the Market Abuse Regulation (<a href="#">MAR</a>)</p> <p><b>24 Sep 2020:</b> ESMA <a href="#">report</a> on review of MAR</p> <p><b>H2 2022 (tbc):</b> Review proposal of MAR through the "EU Listing Act"</p>	<p>In September 2020, ESMA submitted its final review report to the European Commission, including a number of recommendations for the EC to potentially take forward in a legislative review of MAR:</p> <ul style="list-style-type: none"> <li>the suitability of setting-up an EU regulatory regime on market abuse for FX spot contracts.</li> <li>A modification of reporting requirements for buy-back-programmes to reduce and streamline reporting burdens for issuers.</li> <li>More cooperation between supervisors and tax authorities to prevent dividend arbitrage</li> </ul> <p>ESMA also indicated that it would develop more concrete guidance on where pre- hedging practices could be considered market abuse.</p> <p>These recommendations may re-appear in the forthcoming EU listing Act which is likely to touch at certain provisions of the market abuse rulebook.</p>	<p>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.</p>
<b>MiFIR</b>	<p><b>17 Jun 2021:</b> Dutch AFM <a href="#">Report</a> calling for review of bond trading</p> <p><b>09 Jul 2021 (deadline 01 October 2021):</b> <a href="#">ESMA consultation</a> reviewing the transparency rules for bond and derivatives (RTS 1&amp;2)</p> <p><b>23 Nov 2021:</b> Broader review of MiFIR</p>	<p>Current expectations are for a broad-based review of all aspects of the MiFID/R 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. Another area of focus will lie broadly on equity and non-equity market structure and the extent to which the MiFID/R framework has been effective. The introduction of a real-time consolidated tape (pre- and post-trade) for all asset classes both equity and non-equity is also being considered as one way of achieving broader capital markets integration.</p> <p>On 17 June 2021, the Dutch regulator AFM, published a report calling for a review of the functioning of bond and derivatives trading under the MiFID/R framework.</p> <p>On 09 July 2021, ESMA launched a consultation in the context of an upcoming review of the transparency rules for bond and derivative products under MiFIR (RTS 1&amp;2). The review could introduce changes to the structure of these markets.</p>	<p>Monitor as to what could impact derivatives and bond market trading, as well as price transparency framework.</p>
<b>MiFID quick fix</b>	<p><b>26 Feb 2021:</b> Publication of the <a href="#">MiFID II changes</a> in Official Journal of the EU</p> <p><b>14 Jul 2021:</b> <a href="#">Delegated Act</a> on ancillary activity considerations</p> <p><b>28 Nov 2021 (tbc):</b> ESMA Technical Standard on the designation of "significant or critical" contracts</p> <p><b>28 Nov 2021 (tbc):</b> ESMA Technical Standard on the content of position limit management control</p>	<p>Following the crisis induced by Covid 19, the Commission presented a series of amendments to support the post-crisis recovery. These changes lower the burden of some investor protection rules including through more flexibility in costs and charges disclosure and publication of best execution.</p> <p>For corporates there are important changes to the commodity hedging exemption (and position limits) for corporates as well as an alleviation on product governance requirements for plain vanilla corporate bonds to facilitate greater retail investor participation in corporate bond markets. This includes:</p> <ul style="list-style-type: none"> <li>A hedging exemption from the commodity position regime for non-financial groups where the group includes an investment firm that holds commodity positions that measurably reduce the risks of other group activities</li> <li>A position limits exemption for non-financial and financial counterparties that are under a mandatory liquidity provision obligation.</li> </ul>	

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		<ul style="list-style-type: none"> <li>Exemption for securitised derivatives from the commodity position limits.</li> <li>Reduction of the scope of the commodity position limits regime to agricultural commodity derivatives and derivatives contracts considered significant.</li> <li>Simplification of the ancillary activity exemption from the requirement to become an investment firm that market participants can apply for when trading in commodity markets and their trading activity is ancillary to their main business. The proposal removes the quantitative thresholds and maintains only a qualitative threshold. The qualitative threshold sets out that one is eligible for the exemption when one deals on own account or provides investment services to customers or supplies of the main business.</li> <li>Exemption of corporate bonds from product governance requirements (e.g. the “make whole provisions”) that protect investors from losses in case issuers repay bonds early. Allowing plain vanilla corporate bonds to be marketed to a wider pool of investors without complex product governance rules.</li> </ul> <p>On 14 July 2021, the Commission adopted its Delegated Act (DA) specifying the eligibility criteria for the ancillary activity exemption, following changes to the threshold criteria introduced in the MiFID Quick Fix.</p>	
<p><b>EMIR Refit implementation</b></p>	<p><b>17 Jun 2019:</b> Entry into force of EMIR Refit</p> <p><b>13 Jul 2021 (deadline 30 Sep 2021):</b> ESMA consultation on draft guidelines on derivatives and trade repository reporting</p> <p><b>8 Sep 2021:</b> Delegated on FRANDT requirements published</p> <p><b>1 Sep 2021:</b> Application date for Phase V counterparties</p> <p><b>Oct 2021:</b> UK FCA consultation on EMIR Refit implementation</p> <p><b>Q4 2021:</b> Adoption of ESMA’s RTS/ITS on reporting, data quality, data access and registration of TRs</p> <p><b>Q4 2021/Q1 2022:</b> ESMA guidelines on derivatives and TR reporting</p> <p><b>Jun 2022:</b> Extended deadline for pension fund clearing obligation exemption</p> <p><b>H2 2022:</b> Entry into force of technical standards on new reporting regime</p>	<p><b>Intragroup reporting exemption for non-EU companies</b></p> <p>ESMA and the EC have adopted final clarifications for transactions where the parent undertaking is not established in the EU, intragroup transactions between the EU entities of said group cannot benefit from the EU intragroup reporting exemption. The only possibility for non-EU headquartered companies to benefit from this exemption would be for the jurisdiction they are headquartered in to be found equivalent by the EC for the purposes of the intragroup reporting obligation.</p> <p>On 13 of July 2021, ESMA published a consultation paper on its draft guidelines on derivatives and trade repository reporting. The draft guidelines suggest including a number of clarifications related to NFC reporting such as requesting NFCs to indicate whether the reported trade is directly linked to commercial activity or treasury financing in both types of derivative contracts: ETD and OTC under a specific format</p> <p>On 08 September 2021, the Delegated Act (DA) outlining the conditions under which the commercial terms for the provision of CCP clearing services are to be considered as fair, reasonable, non-discriminatory and transparent (FRANDT) under EMIR Refit was published in the Official Journal of the European Union, following the end of the scrutiny period in the European Parliament and Council.</p>	



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<b>CMU workstreams (incl. ESAP)</b>	<p><b>10 Jun 2020:</b> Final report by CMU expert group</p> <p><b>24 Sep 2020:</b> Capital Markets Union action plan</p> <p><b>23 Nov 2021 (tbc):</b> Proposal on single Electronic Access Point (ESAP) for company information</p> <p><b>2024:</b> Earliest operationalisation of the ESAP</p>	<p>In September 2020, the EC published a new Capital Markets Union (CMU) action plan with a list of 16 actions to be taken over the course of current legislative mandate. This includes:</p> <ul style="list-style-type: none"> <li>• Creating the European Single Access Point (ESAP) for financial and sustainability-linked company information</li> <li>• Reduce the complexity of listing rules on regulated markets</li> <li>• Measures to facilitate equity investment by insurance companies and banks.</li> <li>• Potential creation of harmonised minimum rules for non-banks insolvency law and harmonised definition of shareholder</li> <li>• Creation of harmonised EU system for withholding tax relief at source</li> <li>• Potential creation of a financial competence framework</li> </ul> <p>On 23 November 2021 (tbc), the Commission is expected to publish a proposal on the European Single Access Point (ESAP), a single electronic access portal for company information.</p>	<p>Enhanced efficiency in market structure and access to broader pool of investments could reduce burdens on corporates.</p> <p>Move towards enhancing the ability of professional and retail investors to operate across borders, whilst bolstering the ability of banks and insurers to invest in equity.</p>
<b>Securities Financing Transactions Regulation (SFTR)</b>	<p><b>13 Jul 2020:</b> Phase-in of the reporting obligations by category of counterparties</p> <p><b>10 Nov 2020:</b> ESMA issued <a href="#">clarifications</a> on SFTR reporting in the context of Brexit</p> <p><b>06 Jan 2020:</b> ESMA <a href="#">statement</a> delaying the integration of LEIs in the SFTR reporting standard</p> <p><b>2022/2023 (tbc):</b> Review of SFTR</p>	<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 a mandatory reporting regime of sec lending/ repo/ security financing transactions to a registered trade repository.</p> <p>The review of the SFTR 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>Impact of double-sided reporting for sec lending and repo transaction of corporates. Link to revisions of reporting regime under EMIR.</p> <p>Potential increase to the burden of reporting as an issue that needs to be addressed by calling for alignment with the new EMIR Refit reporting framework.</p>
<b>FX markets</b>	<p><b>Aug 2018:</b> Global code for Foreign Exchange (FX) Markets established</p> <p><b>26 Mar 2020:</b> Statement from the Global FX Committee urging continued compliance with the code in times of market volatility caused by Covid 19</p> <p><b>Jul 2021:</b> Updated <a href="#">FX Global Code</a></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 follow by concrete legislative action in Europe remains to be seen.</p> <p>In July 2021, the Global Foreign Exchange Committee (GFXC) published an updated version of its FX Global Code which does not introduce significant changes. The changes address the benchmarks transition, the operational challenges induced by the covid-19 crisis and FX settlement risks.</p>	<p>Take-up by corporates of the code.</p> <p>The EU is looking to include FX spots in their market abuse regime potentially creating new burdens</p>

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<p><b>Money Market Fund Regulation</b></p>	<p><b>26 Mar 2021:</b> <a href="#">ESMA consulted on review of EU MMF rules</a></p> <p><b>01 Jul 2021:</b> <a href="#">ESRB's preliminary recommendations</a> on MMFR review</p> <p><b>01 Oct 2021:</b> ESRB <a href="#">working paper</a> calling for capital buffers</p> <p><b>11 October 2021:</b> FSB <a href="#">report</a> on MMF reforms</p> <p><b>By end of 2021:</b> US SEC recommendations on MMF</p> <p><b>by end of 2021:</b> ESMA and ESRB to publish final recommendations on EU MMF reforms</p> <p><b>by 21 July 2022 (tbc):</b> Proposal to review EU MMFR</p>	<p>The current EU Money Market Fund Regulation (MMFR) is scheduled for a review in 2022 by the European Commission.</p> <p>To prepare technical advice to support the European Commission in the process, ESMA has launched a consultation on elements of the current MMF framework that could be reviewed, including:</p> <ul style="list-style-type: none"> <li>• The possible elimination of the constant-net-asset-value (CNAV) and low-volatility net asset value (LVNAV) fund structures in favour of variable net asset value (VNAV) funds.</li> <li>• Introduction of a liquidity exchange facility that could provide liquidity/credit during market stress – either funded by MMFs or by asset managers.</li> <li>• Revisions to the link between asset value thresholds and suspension gates for funds as well as the possible introduction of dilution levies</li> </ul> <p>On 11 October 2021, The Financial Stability Board (FSB) published its own analysis of MMFs and published a report for the G20. Most notably, the FSB's conclusion explores the option to limit MMFs to public debt only, effectively eliminating MMF's exposure to Commercial Papers.</p> <p>The FSB report also calls for review of the Commercial Paper market structure calling for additional regulation – with additional reporting requirements and for electronic publication.</p>	<p>Critical to maintain different fund structures to accommodate different corporate investment policies. Decoupling regulatory liquidity thresholds from redemption restrictions would be beneficial, but important that any replacement mechanisms are structured in such a way to avoid redemptions becoming too difficult.</p> <p>Monitor impact of potential review of the Commercial Paper (CP) market structure</p>
<h2>2. Prudential framework</h2>			
<p><b>2021 Banking Package</b></p>	<p><b>30 Sep 2021:</b> Application of FRTB Standardised Approach reporting requirement</p> <p><b>27 Oct 2021:</b> <a href="#">Proposal for a CRD6/CRR3 package implementing the Dec 2017 agreement</a></p> <p><b>new deadline Jan 2023:</b> Basel Committee for Banking Supervision (BCBS) delays implementation deadline for Basel IV package by one year due to the covid crisis.</p>	<p>This banking package is the implementation in the EU of the post-2008 international reform of prudential/banking rules, which resulted in the global Basel III standards.</p> <p>These rules directly impact the capital that banks must hold against certain assets which can impact the cost charged to clients.</p> <p>The Commission's proposal does not suggest a removal of the Credit Valuation Adjustment (CVA) exemption for non-financial corporates.</p> <p>Other points of interest in the proposal include deviation in the treatment of unrated corporates in favour of a hybrid, more lenient treatment of this exposure with a risk weight of 65% to 'investment grade' (with a probability of default no higher than 0.5%), as opposed to 100% for all unrated corporate exposure. This softer approach would be complemented by a transition period wherein initiatives will be taken by regulators to encourage a greater number of corporates to obtain credit ratings up until December 2032.</p> <p><b>In the early stages of negotiations, certain members of the European parliament have expressed differing views on the treatment of unrated corporates with some calling for the transition period to become permanent.</b></p>	<p>CVA exemption for non-financial companies is not on the agenda of this package.</p> <p>The more lenient implementation of capital wight for banks against unrated corporates exposure will present cost saving opportunities. This treatment will result in initiative from the EC to increase uptake of credit rating among EU corporates</p>

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<b>3. Payments</b>			
<b>Cross-border payments</b>	<p><b>23 Mar 2019:</b> Publication of <a href="#">Cross-Border Payments Regulation</a></p> <p><b>15 December 2019:</b> Application date</p> <p><b>By 19 Apr 2022 (tbc):</b> Review proposal</p>	<p>This regulation ensures that payment service providers levy the same charges for cross-border payments as for national payments. In 2019, transparency requirements were applied to currency conversion charges related to card-based transactions and credit transfers as well as transactions not using dynamic currency conversion (DCC).</p> <p>As of the 15 December 2019, provisions for the equalisation of charges in Euro started applying. Transparency requirements for card-based transactions and credit transfers applied 19 April 2020 with information requirements for non DCC transactions applying from 19 April 2021.</p>	<p>Resulted in lower costs for cross-border payments for corporates, particularly between Euro and non-Euro EU jurisdictions.</p>
<b>SEPA &amp; payments initiatives</b>	<p><b>Mar 2012:</b> <a href="#">SEPA Regulation</a></p> <p><b>Nov 2018:</b> Launch of Eurosystem TIPS</p> <p><b>24 Sep 2020:</b> Publication of EU <a href="#">Retail Payments Strategy</a></p> <p><b>26 Nov 2020:</b> EPC publication of <a href="#">2021 SEPA payment scheme</a> rulebook</p> <p><b>30 Nov 2020:</b> EPC publication of first <a href="#">SEPA Request to pay</a> rulebook</p> <p><b>31 Mar 2021:</b> <a href="#">Consultation</a> on instant payment in EU (deadline 23 Jun 2021)</p> <p><b>Q2 2022 (tbc):</b> Potential review of the SEPA Regulation to mandate instant payments</p> <p><b>13 Sep 2021:</b> EPC <a href="#">consultation</a> on 2023 SEPA rulebook (deadline 11 Dec 2021)</p>	<p>The SEPA Regulation created a binding framework for standardised SEPA transactions in the Euro area.</p> <p>The ECB's TARGET Instant Payment Settlement (TIPS) enables instant clearing and settlement of retail payments. The Commission and the ECB are monitoring voluntary take-up of the scheme.</p> <p>In preparation of a potential proposal in instant payments by the Commission, a consultation on instant payments for EU corporates and on the possibility of legislative action to mandate the uptake of the SEPA Instant Credit Transfer Scheme by payment service providers.</p>	<p>Support for broader uptake of SEPA Inst and push towards more harmonisation of payment processing and card schemes across the EU.</p> <p>Support wider and quicker adoption of instant payment solutions.</p>

FILE NAME	POLITICAL TIMELINE	CONTENT AND LATEST DEVELOPMENTS	RELEVANCE TO EACT
<p><b>Consumer Credit Review</b></p>	<p><b>20 Jun 2021:</b> Review of Consumer Credit Directive (CCD) <b>Ongoing</b> negotiations in Parliament and among Member States</p>	<p>The review of Consumer Credits Directive (CCD) includes:</p> <ul style="list-style-type: none"> <li>• <b>Significant expansion of the scope</b> – removing the €200 threshold and several exemptions including for leasing agreements, overdraft facilities and credit granted free of interest. Activities such as crowdfunding credit services and buy now pay later schemes are also scoped in.</li> <li>• <b>More prescriptive credit worthiness assessment (CWA) requirements</b> – the proposal states that a credit can only be granted following a positive assessment, with some exceptions such as long-standing client relationships.</li> <li>• <b>Restrictions on using personal data and automated processing</b> – to ensure that relevant economic data is used for creditworthiness assessments and restricts the use of alternative sources, such as social media or health data, and granting consumer new rights to contest automated credit decisions.</li> <li>• <b>Caps on cost of credit</b> – introducing caps either on the interest rate, the annual percentage rate of charge, or total cost of credit to consumers. The exact level of the cap is left to the discretion of the Member States.</li> <li>• <b>New forbearance requirements</b> – requiring creditors to take reasonable measures prior to enforcement.</li> <li>• <b>Additional pre-contractual information</b> – applying a Standard European Consumer Credit Overview from summarising the key elements of the credit.</li> <li>• <b>Introduction of conduct of business rules</b> – with a suggestion to ban tying practices.</li> <li>• <b>Safeguarding consumers from behavioural biases</b> – including for example restrictions on the use of pre-ticked boxes.</li> <li>• <b>Stronger enforcement</b> – requiring Member States to establish registration and supervisory arrangements for non-bank lenders, ensure national authorities have sufficient investigative and enforcement powers, and lay down dissuasive penalties.</li> </ul> <p>During the early stages of negotiations, Germany has pushed for an exemption to the admission, registration and supervision rules applied to creditors for suppliers of goods and services acting as credit intermediaries in an ancillary capacity such as ‘furniture stores and electronics retailers.</p>	<p>Possible new restrictions on the provisions of credit services to retail customers.</p> <p>Potential streamlining of requirements across the EU.</p>
<p><b>Payment Services (PSD2) Implementation &amp; upcoming review</b></p>	<p><b>Jan 2016:</b> Entry into force of Payment Services Directive (<a href="#">PSD2</a>) <b>14 Sep 2019:</b> Application of technical standards (<a href="#">RTS</a>) on strong customer authentication (SCA) <b>1 Jan 2021:</b> Implementation of SCA requirements <b>By end 2022:</b> Survey on PSD2 framework by DG FISMA</p>	<p>The Payment Services Directive (PSD2) exempts corporate payment factories from the classification as payment service providers, excluding them from the scope of PSD2.</p> <p>However, the current exemption is only mentioned in a recital of the rulebook and not a proper article which reduces legal certainty, ensuring that this exemption is including as a fully-fledged article during the upcoming review in late 2022 would be beneficial.</p> <p>The Commission’s 2020 Retail Payments Strategy outlined potential areas to review, including:</p> <ul style="list-style-type: none"> <li>• <b>Consumer protection standards</b> – to be reassessed in light of instant payment environment.</li> <li>• <b>Reduced fees for credit transfers</b> – alongside potential requirements on not exceeding regular credit transfer costs.</li> </ul>	<p>Implementation of SCA and reduction of transaction fees for payment services.</p> <p>Ensuring continued exemption for corporate payment factories from PSD2.</p>

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	<p><b>Late 2022 (tbc):</b> Review and expansion of PSD2</p>	<ul style="list-style-type: none"> <li>• <b>Strong Customer Authentication (SCA)</b> – impact to be assessed with exploration whether IBAN and beneficiary name matching could be required</li> <li>• <b>Placing e-Money providers under PSD2 scope</b> – and assessing whether technical providers to payment services should be included in PSD2</li> </ul>	
<b>4. Taxation</b>			
<b>Debt-Equity Bias Reduction Allowance (DEBRA)</b>	<p><b>14 Jun 2021:</b> <a href="#">Roadmap</a> on debt-equity bias reduction (DEBRA)</p> <p><b>1 Jul 2021:</b> <a href="#">Consultation</a> on DEBRA (deadline 7 Oct 2021)</p> <p><b>Q1 2022 (tbc):</b> DEBRA proposal</p>	<p>The debt-equity bias reduction addresses tax bias favouring funding through debt rather than equity prevalent across several EU Member States. This proposal is set to explore possibilities to increase tax benefits for companies funding projects with equity and potentially reducing tax benefits related to debt funding, which could impact project financing for non-financial counterparties (NFCs).</p> <p>Similar legislative provisions have been included in other stalled tax-related proposals. The unanimous support required among Member States to pass legislative proposals in this field of taxation hints to a long and difficult negotiating process.</p> <p>Ahead of the legislative proposal for DEBRA in Q1 2022, the Commission has published a roadmap in Jun 2021 and consulted on this topic in July 2021.</p>	<p>Changing tax rules on project financing could impact the cost of raising funding though both debt and equity, with potential cost alterations for ongoing projects.</p>
<b>Public Country by Country Reporting</b>	<p><b>12 Apr 2016:</b> Proposal on public Country-by-Country Reporting (<a href="#">pCbCR</a>)</p> <p><b>27 Mar 2019:</b> Adoption of Parliament's <a href="#">position</a> on pCbCR</p> <p><b>3 Mar 2021:</b> Adoption of Member States' <a href="#">position</a></p> <p><b>1 Jun 2021:</b> Final agreement reached</p> <p><b>28 Sep 2021:</b> Adoption of final text in the council</p> <p><b>11 Nov 2021:</b> <b>European Parliament final vote on the adoption of the final text</b></p> <p><b>Q4 2021 (tbc):</b> Publication of the pCbCR text in the OJEU</p> <p><b>2023 (tbc):</b> Application of first reporting requirements</p> <p><b>2024:</b> <b>Publication of first pCbCR reports for the 2021 financial year</b></p>	<p>Public Country-by-Country Reporting (pCbCR) Requires all companies operating in the EU with annual global revenues above EUR 750 million to publish on a country-by-country basis information on their profits, turnover, taxes paid, business activities, and number of employees. The information must be disclosed per EU country, per tax haven (countries included on the EU's list of uncooperative tax jurisdictions), and in aggregated form for the rest of the world.</p> <p>The final text retains a deferral clause that allows companies to defer disclosure of information in specific circumstances for a period of a maximum of five years to protect commercially sensitive information.</p> <p>The EU Member States have adopted the final legal text on pCbCR on 28 September 2021 with the final adoption by the Parliament Plenary and publication in the EU's Official Journal envisaged before the end of the year. The first reporting requirements are expected to apply in 2023, 18 months after the entry into force.</p>	<p>Impact of public Country-by-Country Reporting (pCbCR) rules on corporate reporting burden as well as public scrutiny on corporate tax practices.</p>
<b>Business in Europe: Framework for</b>	<p><b>18 May 2021:</b> Commission <a href="#">communication</a> on business taxation for the 21<sup>st</sup> century</p>	<p><b>Since the proposal on an EU-wide common consolidated corporate tax base (CCCTB) has been stalled by Member States and is now unlikely to proceed further the Commission is now focusing on alternative proposals.</b></p>	<p><b>A common tax base through BEFIT could additionally impact corporates' tax liabilities in the EU.</b></p>

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<b>Income Taxation (BEFIT)</b>	<b>2023 (tbc):</b> New proposal on Business in Europe: Framework for Income Taxation (BEFIT)	<p>Instead, the Commission is expected to publish its new Business in Europe: Framework for Income Taxation (BEFIT) proposal in 2023 to provide a single corporate tax rulebook for the EU. So far, the proposal is set to:</p> <ul style="list-style-type: none"> <li>• Establish a common rulebook for groups of companies to facilitate cross-border investment</li> <li>• Reduce administrative burdens and cut compliance cost</li> <li>• Combat tax avoidance and ensure predictable tax revenues</li> <li>• Reallocate taxing rights more fairly and effectively between EU Member States</li> </ul>	<p>Potential harmonisation of tax rules could reduce compliance costs.</p>
<b>OECD tax reform</b>	<p><b>Nov 2019:</b> OECD <a href="#">consultation</a> on Global Anti-Base Erosion ('GloBE')</p> <p><b>12 Oct 2020:</b> OECD <a href="#">consultation</a> on Pillar One and Two blueprint</p> <p><b>5 Jun 2021:</b> G7 <a href="#">agreement</a> on establishment of global minimum corporate tax rate</p> <p><b>1 Jul 2021:</b> OECD <a href="#">endorsement</a> of Pillar 1 and 2 deal</p> <p><b>10 Jul 2021:</b> G20 <a href="#">endorsement</a> of Pillar 1 and 2 deal</p> <p><b>8 Oct 2021:</b> OECD <a href="#">agreement</a> on global minimum tax rate</p> <p><b>Q4 2021:</b> EU proposal on implementing Pillar 2 of the OECD agreement</p> <p><b>2023:</b> Entry into force of OECD minimum 15% corporate tax rate</p>	<p>The proposal from the OECD looks at establishing 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 and were discussing a reform of the global tax regime to align it with the digitalisation of the economy and to address the challenges of tax avoidance by multinational enterprises (MNEs).</p> <p>The OECD consulted on the 2020 review of CBCR (BEPS Action 13), concerning information exchange between tax administrations on revenues, profits, accrued taxes and economic activity in a given tax jurisdiction. Unlike the EU proposal, however, the OECD's does not provide for public disclosure of information.</p> <p>In October 2020, the OECD published its blueprints for Pillar One (reallocation of taxing rights to market jurisdictions) and Pillar Two (introduction of a minimum global effective tax rate) which set the technical framework for a political agreement which was struck later in July 2021.</p> <p>On 08 October 2021, 136 countries signed up to the agreement based on the 'two-pillar' approach:</p> <ul style="list-style-type: none"> <li>• <b>Pillar 1:</b> covers in MNEs with global sales above EUR 20 billion and profitability above 10%, where 25% of profit above the 10% threshold will be reallocated to market jurisdictions.</li> <li>• <b>Pillar 2:</b> global minimum corporate tax rate set at 15% for companies with global turnover above EUR 750 million.</li> </ul> <p>In the EU, this global tax framework will be implemented through an EU legislation to be transcribed by each Member State.</p> <p>In particular, the European Commission is set to issue a legislative proposal by end-2021 to implement the agreed Pillar 2 rules – this EU proposal will go beyond the OECD agreement since it will also require companies in scope to publicly disclose their global effective tax rate.</p> <p>The European Commission is planning to table a different legislative proposal to also implement Pillar 1 rules in the EU. However, clarity is still missing regarding the timeline, as much will depend on the forthcoming mid-2022 Multilateral Convention (MLC) set to address the details of the amount of profit to be reallocated.</p>	<p>Potential impact on consolidated tax burden.</p>

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<b>FTT</b>	<p><b>End 2022:</b> Commission deadline for agreement on FTT-10 workstream to present EU-wide proposal</p> <p><b>Jul 2024 (tbc):</b> Potential proposal on EU-wide FTT</p> <p><b>1 Jan 2026:</b> EU FTT implementation as new EU-own revenue resource</p>	<p>The proposal of an EU-wide Financial Transaction Tax (FTT) as a potential new own resource revenue stream for the EU to raise funds to service the debt raised under the EU pandemic recovery plan (Next Generation EU).</p> <p>The debate over an EU FTT have been longstanding among a coalition of the willing composed of 10 Member States, the so-called FTT-10. The Commission set a deadline for this FTT-10 to land on an agreement before 2022, beyond which time the Commission will publish a new proposal for an EU-wide FTT by 2024.</p>	<p>A comprehensive FTT could negatively impact corporates' ability to finance and hedge themselves.</p>
<b>5. Sustainable Finance</b>			
<b>EU Taxonomy</b>	<p><b>DELEGATED ACTS (next steps):</b></p> <p><a href="#">Technical Screening criteria for climate change mitigation and adaptation:</a></p> <ul style="list-style-type: none"> <li><b>07 Dec 2021:</b> End of scrutiny from Parliament and Member States for <b>application on 1 Jan 2022.</b></li> </ul> <p><b>Nuclear, gas and agriculture:</b></p> <ul style="list-style-type: none"> <li><b>Q4 2021:</b> Expected publication</li> </ul> <p><b>Water use, circular economy, pollution, and biodiversity:</b></p> <ul style="list-style-type: none"> <li><b>End Nov/Early 2022:</b> Initial batch of drafting for <b>1 Jan 2023 application</b></li> </ul> <p><b>TIMELINE:</b></p> <p><b>22 Jun 2020:</b> Publication of <a href="#">Taxonomy Regulation</a></p> <p><b>12 Jul 2021:</b> Platform for Sustainable Finance (PSF) consultation on two draft <a href="#">reports</a> on social &amp; negative impact Taxonomy extension</p> <p><b>8 Nov 2021:</b> <a href="#">Delegated Act for NFRD-entity reporting passed (application 1 Jan 2022)</a></p>	<p><b>EU level</b></p> <p>The EU Taxonomy defines environmentally sustainable economic activities that must be used as a reporting tool by all financial market participants offering financial products presented as environmentally sustainable.</p> <p>NFRD-corporates will be required to report on the proportion of Taxonomy-eligibility of their activities from 1 Jan 2022, and in detail on Taxonomy-alignment across their total turnover, CapEx and OpEx from 1 Jan 2023. These reporting requirements are specified in detail by the following delegated act (DA):</p> <ul style="list-style-type: none"> <li><b>NFRD-entity reporting under Article 8 of the Taxonomy – has been fully adopted after passing the Parliament and Member States' political scrutiny on 08 November 2021.</b></li> </ul> <p>The requirements and thresholds for specific economic activities to be considered Taxonomy aligned are being set out through a series of delegated acts (DAs):</p> <ul style="list-style-type: none"> <li>DA covering <b>Technical Screening criteria for Climate change mitigation and adaptation</b> – was first presented in April and is expected to be approved by 7 December 2021 after the political scrutiny of the Parliament and Member States. It will subsequently enter into force.</li> <li>DA covering <b>Nuclear, gas and agriculture</b> – <b>these politically contentious topics have been separated from the first DA on mitigation and adaptation as a group of Member States led by France wants to ensure that nuclear energy is classified as sustainable under the Taxonomy. The DA is likely to be presented by the Commission before year-end. The application date is not clear yet.</b></li> <li>DA covering <b>water use, circular economy, pollution, and biodiversity</b> – <b>scheduled to be published in two batches with the first one expected around late November and the second set of remaining criteria in early 2022.</b></li> </ul> <p>Beyond the application of these criteria for the classification of economic activities, reporting of NFRD-entities, and product-level disclosure for products marketed as environmentally</p>	<p>Impact on ability of corporates to issue debt/equity depending on whether the taxonomy defines activities and companies as sustainable.</p> <p>New corporate reporting requirements for NFRD-entities.</p>

FILE NAME	POLITICAL TIMELINE	CONTENT AND LATEST DEVELOPMENTS	RELEVANCE TO EACT
	<p><b>31 Dec 2021:</b> Deadline for Commission report on Taxonomy expansion (incl to social &amp; negative impact activities)</p> <p><b>1 Jan 2022:</b> Starting date for application of reporting obligation for corporate disclosures on climate change mitigation and adaptation (only “eligibility” &amp; qualitative reporting)</p> <p><b>1 Jan 2023:</b> Full disclosure of KPIs and accompanying information for corporates</p>	<p>sustainable, the Taxonomy is also set to serve as the basis for other labelling frameworks – such as the proposed EU Green Bond Standard.</p> <p>Looking at future developments in this area, the Platform on Sustainable Finance (PSF) consulted on its reports on the potential extension of the framework to cover social and negative impact activities, which could work in a similar way as the existing environmental taxonomy, through the principles of ‘substantial contribution’ and ‘do no significant harm’. The idea is to have three performance levels for economic activities along a traffic light basis: Substantial Contribution (green), Intermediate (yellow), and Substantial Harm (red). For social issues, the Taxonomy would focus both the internal company processes (e.g. respect of the rights of workers) as well as contribution to social objectives through services and products offered.</p> <p><b>International Level</b></p> <p>The EU, together with 18 international partners, including China, India, Japan, Canada and Chile, established an International Platform on Sustainable Finance (IPSF) which was launched on 22 October 2019.</p> <p>As part of the platform, the EU is advancing on the “Common Ground Taxonomy” mapping the EU Taxonomy and the Chinese Green Bond Catalogue – an initial draft table is under consultation until 4 January 2022.</p>	
<p><b>Corporate Sustainable Reporting Directive/ Review of NFRD</b></p>	<p><b>18 Jun 2019:</b> Publication of climate-related <a href="#">reporting guidelines</a> under the Non-Financial Reporting Directive (NFRD)</p> <p><b>21 Apr 2021:</b> Proposal on sustainability reporting for corporates (<a href="#">CSRD</a>)</p> <p><b>31 Oct 2022:</b> Deadline to adopt first set of EU sustainability reporting standards</p> <p><b>1 Jan 2023 (tbc):</b> Provisional application date for CSRD</p> <p><b>31 Oct 2023:</b> Deadline to adopt second set of EU sustainability reporting standards (including sector-specific information)</p> <p><b>1 Jan 2026:</b> Application date of CSRD for SMEs</p>	<p>As part of its Renewed Sustainable finance Strategy, the Commission put forward a review proposal of the Non-Financial Reporting Directive (NFRD), renaming the legislation into the Corporate Sustainability Reporting Directive (CSRD). The proposal includes:</p> <ul style="list-style-type: none"> <li>• <b>Expanded scope</b> – to all large companies as defined by the Accounting Directive. This covers all listed companies and those fulfilling at least 2 of the following thresholds: <ul style="list-style-type: none"> <li>○ a balance sheet total of 20 million euro,</li> <li>○ a net turnover of 40 million euro, and</li> <li>○ 250 employees</li> </ul> </li> <li>• <b>Mandatory sustainability reporting standards</b> – covering environmental, social and governance topics. The Commission tasked the European Financial Reporting Advisory Group (EFRAG) with the development of the standards. A first set should be developed by end October 2022, followed by a second (sector-specific) set by end October 2023.</li> <li>• <b>Reinforcement of double materiality</b> – requiring companies to report on both the impact of sustainability factors on their balance sheet as well as the impact companies have on the environment and society.</li> <li>• <b>Equivalence mechanism for third country issuers</b> – providing for a mechanism for non-EU entities captured under scope (i.e. those that are listed on EU regulated markets, or that wish for their EU subsidiary to be exempt) to use their jurisdiction’s standard – if it is deemed equivalent to EU’s.</li> <li>• <b>Mandatory assurance</b> – unlike under the current NFRD regime, where the content of the sustainability reporting is not covered by an assurance requirement</li> </ul>	<p>Negotiations are moving along quickly, with a focus on scope, discretion granted to the EC and EU standard setter (i.e. EFRAG), as well as the compatibility with international standards that are under development by the IFRS/ISSB.</p>



FILE NAME	POLITICAL TIMELINE	CONTENT AND LATEST DEVELOPMENTS	RELEVANCE TO EACT
		<p>(rather, the auditor just needs to confirm that a sustainability report is published), the proposal includes a limited assurance requirement.</p> <p>The proposal will now be subject to amendments by the Parliament and the Member States before a final version can be agreed and published. <b>During the first parliamentary debate, members of the European parliament have called to for an expansion of the scope to include non-EU companies under the CSRD. However, this proposal has not received much support in the Council.</b></p> <p><b>From an international perspective, the International Financial Reporting Standards Board announced the creation of an International Sustainability Standards Board (ISSB) to sit alongside the already existing International Accounting Standards Board (IASB) – thrusting the question of compatibility of future EU standards with the international baseline to the forefront of debates.</b></p>	
<p><b>Sustainable Finance Disclosure</b></p>	<p><b>11 Mar 2021:</b> Entry into force of Sustainable Finance Disclosure Regulation (<a href="#">SFDR</a>)</p> <p><b>22 Oct 2021:</b> European Supervisory Authorities' (ESAs) <a href="#">report on Taxonomy-related product disclosures, final report on consolidated SFDR/Taxonomy RTS on principal adverse impact &amp; product-level disclosure</a></p> <p><b>Q4 2021/Q1 2022 (tbc):</b> Expected adoption of RTS on entity and product-level disclosure and Taxonomy-related disclosures</p> <p><b>1 Jul 2022 (tbc):</b> Delayed application of product-level RTS measures under SFDR/Taxonomy</p>	<p>The Sustainable Finance Disclosure Regulation (SFDR) introduces new sustainability-related disclosure requirements for investment management firms related to sustainability risks and their integration in investment decision-making and remuneration policies.</p> <p>It also requires publication of due diligence statements regarding adverse impacts of investment decisions on environmental, social and governance (ESG) matters.</p> <p>In addition, it sets out additional disclosure requirements for financial products, with more stringent disclosures required for those that are offered as sustainable (i.e. that have sustainable investment as their objective or that promote environmental or social characteristics).</p> <p>The application of new disclosure requirements which investment management firms will ask from their corporate investee companies includes:</p> <ul style="list-style-type: none"> <li>• <b>Pre-contractual and periodic reporting disclosure</b> – all products will have to explain how they integrate sustainability risks (and if not, why), while products offered as sustainable will also have to justify their claims in more detail.</li> <li>• <b>Extent of Taxonomy-alignment</b> – for products that promote environmental or social characteristics (so-called Article 8 and 9 products). <b>This applies from 01 January 2022 while the application of the details (RTS on product-level disclosures) on what this entails has been delayed to 1 July 2022.</b></li> <li>• <b>Principal Adverse Impact (PAI) indicators</b> – a list of 18 mandatory metrics (and a number of voluntary) that investment firms must disclose against at entity level, across all their funds/investee companies and</li> </ul>	<p><b>New disclosure requirements for investors are likely to lead to information requests on investee companies.</b></p>

FILE NAME	POLITICAL TIMELINE	CONTENT AND LATEST DEVELOPMENTS	RELEVANCE TO EACT
<b>Sustainable Benchmarks</b>	<p><b>Dec 2019:</b> Publication of EU <a href="#">Sustainable Benchmark</a> Regulation</p> <p><b>By 31 Dec 2022 (tbc):</b> Review of Climate Transition and EU Paris-aligned benchmarks</p> <p><b>2023:</b> Potential proposal on ESG benchmark label (tbc)</p>	<p>The agreed regulatory framework creates two new benchmark categories:</p> <ul style="list-style-type: none"> <li>• <b>Climate Transition Benchmarks</b> that are based on assets of companies that follow a decarbonisation trajectory, and</li> <li>• <b>Paris-aligned Benchmarks</b> where the portfolio's carbon emissions are aligned with the Paris-agreement.</li> </ul> <p>The Low Carbon Benchmark Amendment in the BMR included a review clause setting 31 December 2022 as a deadline for the Commission to submit a report calling – if needed for a review of the BMR.</p>	<p>To watch as to how it may reshape the landscape of indices and by extension trading of financial products.</p>
<b>EU Green Bond Standard (GBS)</b>	<p><b>Jun 2019:</b> <a href="#">Recommendations</a> on creating EU Green Bond Standard (EU GBS) by Technical Expert Group (TEG)</p> <p><b>Mar 2020:</b> Supplementary EU GBS <a href="#">report</a></p> <p><b>6 Jul 2021:</b> Renewed Sustainable Finance Strategy</p> <p><b>6 Jul 2021:</b> Proposal on EU <a href="#">Green Bond Standard</a></p> <p><b>Ongoing negotiations in Parliament and among Member States</b></p>	<p>The EU Green Bond Standard (EU GBS) proposes a voluntary framework for the issuance of EU Green Bonds and is linked to the EU Taxonomy. The EU GBS may be used by EU and non-EU issuers, including corporates, financial entities, public and private sector, and includes issuance of covered bonds and securitisations.</p> <p>Proceeds of green bonds must be used for Taxonomy-aligned economic activities. The Taxonomy criteria for use of proceeds will be applied at issuance, however the final text adds a provision specifying that where the taxonomy criteria are amended, the issuer must amend the use of proceeds to comply within a period of 5 years (grandfathering).</p> <p>The proposal sets out several transparency requirements for the issuer, including a green bond factsheet, pre- and post-issuance reviews, yearly allocation reports, and an environmental impact report, all to be disclosed on the issuer's website and verified by an external reviewer. The proposal also envisages a centralised registration and supervision regime for external reviewers of green bonds, which will be coordinated by ESMA.</p> <p>Several issues are emerging amongst Member States. Notably, the limited grandfathering period of 5 years to apply amended Taxonomy criteria for use of proceeds which have to be 100% Taxonomy-aligned. However, if a previously issued green bond no longer aligns due to new Taxonomy criteria, it raises uncertainty over the eligibility for the EU GBS and how long it will have to re-align. Other issues include specific requirements for sovereign issuers, and the ESMA centralised registration regime for external reviewers.</p> <p><b>Members of the European Parliament also stressed the need for uniform requirements for all issuers to maintain the overall strength of the standard, including sovereign issuers, and may complicate negotiations by questioning whether the EU GBS should be voluntary or not.</b></p> <p><b>Member States have reached a compromise which includes full grandfathering for amendments of the Taxonomy criteria until the maturity of the bond. This would be beneficial for issuers as the use of proceeds would no longer have to be amended after issuance for them to maintain their EU GBS classification.</b></p>	<p>Proposed standard could help streamline issuance process for green bonds and reduce verification and procedural costs associated with green bond programmes.</p>

## 6. Financial Crime & Digital Finance

FILE NAME	POLITICAL TIMELINE	CONTENT AND LATEST DEVELOPMENTS	RELEVANCE TO EACT
<p><b>Cyber-resilience &amp; hybrid threats</b></p>	<p><b>DORA</b></p> <p><b>24 Sep 2020:</b> Proposal on Digital Operational Resilience for financial services (<a href="#">DORA</a>)</p> <p><b>Dec 2021 (tbc):</b> Vote on Parliament's final position</p> <p><b>Ongoing</b> negotiations among Member States</p> <p><b>NIS2</b></p> <p><b>16 Dec 2020:</b> Proposal on review of framework for Network and Information Security (<a href="#">NIS2</a>)</p> <p><b>28 Oct 2021:</b> Parliament position carving out the requirement to report potential threats</p> <p><b>Ongoing</b> negotiations among Member States</p>	<p><b>DORA</b></p> <p>The proposal for a Digital Operational Resilience Act (DORA) for financial services is targeted at financial entities and includes draft requirements for:</p> <ul style="list-style-type: none"> <li>• Dedicated ICT risk management frameworks and internal controls,</li> <li>• Dedicated BCP policies for ICT risk,</li> <li>• Requirements to communicate any incidents to their counterparties and clients,</li> <li>• A harmonised reporting framework for ICT incident reporting –</li> <li>• Instalment of digital operational resilience testing frameworks depending on the size and interdependencies of the institutions, and</li> <li>• Direct EU oversight of critical third-party ICT providers.</li> </ul> <p><b>NIS2</b></p> <p>The EU framework for security of network and information systems (NIS Directive) required Member States to establish National Cybersecurity strategies, Computer Security Incident Response Teams (CSIRTs) and national NIS authorities. However, this first directive did not produce a satisfactory level of harmonisation.</p> <p>With a broadened scope, the review of the fragmented NIS framework (so-called NIS2), addresses security of supply chains, streamlines reporting obligations for entities in scope, introduces more stringent supervisory measures and stricter enforcement requirements including harmonised sanctions regimes across the EU.</p> <p>The Parliament adopted a report on 28 October which notably withdrew the requirement to report significant cyber threats. It does, however, require the Member States to ensure cooperation between NIS2 and DORA authorities.</p>	<p>Potential additional requirements and operational consequences for treasury processes.</p> <p>Potential scope-in of healthcare, space, utilities, financial services, and public administration. Scoped-in entities would be subject to reporting and compliance requirements.</p>
<p><b>AML &amp; KYC requirements</b></p>	<p><b>10 Jan 2020:</b> Deadline for transposition of last EU AML framework (AMLD5) into national law</p> <p><b>7 May 2020:</b> New EU AML <a href="#">Action Plan</a> and consultation</p> <p><b>20 Jul 2021:</b> EU AML package (<a href="#">AMLD6</a>, <a href="#">AMLR</a>, <a href="#">AMLA</a>, <a href="#">TFR</a>)</p> <p><b>Ongoing</b> negotiations among Member States</p>	<p>The previous review of EU anti-money laundering (AML) framework (AMLD5) enhanced due diligence measures for customers in high-risk third countries and for the first time included virtual assets and wallet providers.</p> <p>On 20 July 2021, the EC published its AML package, aiming to streamline the framework by switching all obliged entities rules from National to EU level thus harmonising the patchwork of customer due diligence and KYC requirements across the EU.</p> <p>In the early stages of the negotiations, certain actors in the Parliament and among Member States have called to extend the scope of obliged entities to the non-financial sector – particularly focusing of Designated Non-Financial Services Businesses and Professions (DNFBPs) i.e auditors, external accountants, and tax advisers. <b>Most notably, this extension of scope was echoed by Luis Garicano (Liberal, Spain) who is the rapporteur on the text establishing the Anti Money Laundering Authority.</b></p> <p>The Parliament is slowly warming up and has adopted a joint committee procedure in which both the economic affairs committee (ECON) and the civil liberties committee (LIBE) will cooperate on drafting the text, with the latter advocating for stronger consumer protection and data rights. With parliamentary negotiation teams not yet fully formed, discussions are progressing slowly, primarily focusing on politically contentious issue of the mandate for the new AML Authority.</p>	<p>Reduced operational impact of harmonized customer due diligence and KYC requirements and greater leveraging of digital identifiers for remote customer onboarding and other operations / compliance processes.</p>

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<b>Digital Finance</b>	<p><b>24 Sep 2020:</b> Publication of <a href="#">Digital Finance Strategy</a></p> <p><b>19 Oct 2020:</b> European Systemic Risk Board (ESRB) recommendations on LEI implementations</p> <p><b>2 Sep 2021:</b> ESRB <a href="#">report</a> on LEI</p> <p><b>7 Sep 2021:</b> ECB <a href="#">report</a> on the Central Securities Depositories Regulation (CSDR) supporting the use of LEI</p>	<p><b>Digital Finance strategy</b></p> <p>In September 2020, the Commission published a long-term strategy on digital finance, including:</p> <ul style="list-style-type: none"> <li>• Two legislative proposals regulating crypto-assets (MiCA) and establishing a pilot regime for market infrastructure based on distributed ledger technology (DLT)</li> <li>• Removing barriers to cross-border digital financial services,</li> <li>• Creating a framework for interoperable digital identity solutions by 2024,</li> <li>• Leveraging an open finance approach, and</li> <li>• Facilitating the conditions for increased data sharing between businesses and between supervised entities and regulators through digital solutions.</li> </ul> <p><b>LEI adoption</b></p> <p>The European Systemic Risk Board (ESRB) recommends that the European Commission integrate the Legal Entity Identifier (LEI) more broadly throughout financial regulation and potentially create an EU-wide regulatory framework for implementation of the LEI.</p> <p>In September 2021, the ESRB published a report stressing the crucial contribution by the LEI in monitoring the interconnectedness of legal entities involved in global financial transactions and its support to financial stability. As a result, the ESRB called for a broader use of the LEI, particularly for non-financial companies and sets out potential ways to promote such a broader use.</p>	<p>Increased use of data standardisation as well as harmonised provisions on cybersecurity would ease corporate compliance burdens.</p>
<b>Crypto-Assets (MiCA)</b>	<p><b>24 Sep 2020:</b> Proposals for a framework on crypto-assets (<a href="#">MiCA</a>) and a <a href="#">pilot regime</a> for DLT-based market infrastructure</p> <p><b>Dec 2021:</b> Parliament to vote on final text for MiCA</p>	<p><b>On 24 September 2020, as part of the Digital Finance Package, the Commission published a legislative proposal on a proposed framework for crypto-assets, including a bespoke regime for crypto-assets (MiCA) and a pilot regime for market infrastructure based on Distributed Ledger Technology (DLT) market infrastructures.</b></p> <p><b>The Markets in Crypto-Assets (MiCA) proposal set out to regulate these digital assets to avoid foreign dominance in the crypto-asset market while ensuring financial stability and consumer/investor protection. Particularly, it establishes concrete requirements for crypto-asset (CA) issuers, for stablecoins (especially those deemed “significant”) which cover disclosure, governance, capital or own fund requirements. The proposal also looks to lay down a harmonised framework around crypto-asset service providers (CASPs) such as wallets and exchanges through bespoke governance and market abuse requirements.</b></p> <p><b>Negotiations are still ongoing in the Parliament and among Member States with the vote in Parliament expected in December 2021.</b></p> <p><b>Importantly, the scope of the regulation will not directly apply to decentralised crypto currencies such as Bitcoin but will indirectly capture them by imposing strict requirements to crypto exchanges and CASPs that offer them to the public.</b></p> <p><b>As of November, both co-legislators (the Parliament and the Council) are still finalising their positions before entering the phase of inter-institutional negotiations which is set to take place over the first half of 2022.</b></p>	<p><b>New rulebook could create opportunities to integrate new technologies to improve certain treasury functions and provide a greater variety of novel financial instruments.</b></p>

FILE NAME	POLITICAL TIMELINE	CONTENT AND LATEST DEVELOPMENTS	RELEVANCE TO EACT
<b>7. Horizontal</b>			
<b>International role of the Euro and Digital Euro</b>	<p><b>5 Dec 2018:</b> Commission <a href="#">communication</a> on stronger international role of the euro</p> <p><b>2 Oct 2020:</b> ECB publication of <a href="#">report</a> on the creation of a digital euro</p> <p><b>Oct 2021:</b> Establishment of Digital Euro Advisory Group</p> <p><b>H1 2023 (tbc):</b> <a href="#">Expected</a> Commission proposal on digital euro</p> <p><b>2027:</b> Expected final development of a digital euro</p>	<p>In October 2020, the ECB raised the prospect of establishing a digital euro, a so-called Central Bank Digital Currency (CBDC). The ECB's report highlights the of a digital euro, including keeping up with a rapidly evolving and digitalising payments landscape in the EU. The first phase of the project would be dedicated to identifying whether a viable digital euro product can be created in a manner consistent with the necessary design features in a cost-efficient manner.</p> <p>In October 2021, the Digital Euro Market Advisory Group officially assumed its function. This industry expert group will assist the ECB in developing the digital Euro.</p>	<p>A digital euro could facilitate treasury processes, depending on the architecture chosen.</p>
<b>Brexit</b>	<p><b>24 Dec 2020:</b> EU-UK <a href="#">trade and cooperation agreement</a></p> <p>21 Oct 2020: UK publication of <a href="#">financial services bill</a></p> <p><b>31 Dec 2020:</b> UK leaves EU</p> <p><b>31 Dec 2020:</b> UK FCA <a href="#">allows</a> UK firms to execute trades on behalf of EU clients in EU venues by modifying UK Derivatives Trading Obligation</p> <p><b>Q4 2021 (tbc):</b> EU-UK regulatory forum on financial services to be established</p> <p><b>Jun 2022:</b> End of EU <a href="#">temporary equivalence</a> granted to UK Central Counterparties (CCPs)</p> <p><b>End 2024:</b> Review of EU-UK trade and cooperation agreement</p> <p><b>28 Jun 2025:</b> Expiry of EU-UK data adequacy decision</p>	<p>The UK and the EU reached an agreement on trade and cooperation on 24 December 2020, which provisionally entered into force on 01 January 2021. The agreement does not cover the provision of cross-border financial services. UK and EU authorities intended to work towards agreeing a Memorandum of Understanding on cooperation which has not yet been signed-off. This however would also not have the same effect as mutual market access or equivalence arrangements.</p> <p>On 31 December, the UK FCA limited the application of the UK Derivatives Trading Obligation to allow UK firms to execute orders on behalf of EU clients on EU-based venues, even in the absence of regulatory equivalence. ESMA has not taken the same approach, meaning that EU firms cannot execute on UK venues.</p> <p>On 13 Jan 2021 the UK Parliament reviewed the UK STO equivalence decision for Swiss trading venues allowing UK shares to be traded on Swiss venues. The statutory instrument entered into force on 3 February 2021, which was reciprocated by Swiss authorities.</p> <p>Until the signature of the EU-UK Memorandum of Understanding on Financial Services Regulatory Cooperation, any timeframe for the establishment of the forum on financial services remains uncertain. This body, when established, would be similar to that in place between the EU and the US and would serve as a platform for an exchange at political and regulatory level on issues related to financial services. It is, however, not a body that will decide on market access arrangements.</p>	<p>EU market participants face hurdles in accessing UK-based markets and services.</p>
<b>International economic sanctions</b>	<p><b>5 Nov 2018:</b> US withdrawal from 2015 Iran nuclear deal: sanctions re-imposed</p> <p><b>15 Jul 2019:</b> EU Foreign Affairs Ministers adopt retaliatory measures against Turkey</p> <p><b>24 Jun 2021:</b> EU extends sanctions on Belarus</p>	<p>In July 2019, EU Foreign Ministers have adopted an initial set of retaliatory measures against Turkey as a reaction to its offshore drilling activities around Cyprus.</p> <p>On 24 June 2021, the EU introduced new sanctions against the Belarusian government following the forced landing of a Ryanair flight in Minsk on 23 May 2021.</p> <p>On 09 September 2021, the EU launched a consultation reviewing its rules meant to protect EU individuals and companies from having to comply with the extra-territorial application of third-country laws and measures. The consultation covers:</p>	

FILE NAME	POLITICAL TIMELINE	CONTENT AND LATEST DEVELOPMENTS	RELEVANCE TO EACT
	<p><b>9 Sep 2021:</b> <a href="#">Consultation</a> on the prevention of unlawful extra-territorial sanctions (deadline 4 Nov 2021)</p> <p><b>10 Sep 2021:</b> EU extends sanctions on Russia</p>	<ul style="list-style-type: none"> <li>The so-called “Blocking Statute” which bans compliance with unlawful third-countries’ measures, prevents the rulings of non-EU courts from having effect in the EU, and enables EU persons and legal entities to recover damages in EU courts.</li> <li>In particular, possible amendments to enhance the capacity of the Blocking Statute to deter/counteract the extra-territorial application of third country sanctions, as well as to reduce the compliance costs.</li> </ul> <p>On 10 September 2021, the EU extended - by another 6 months - its sanctions first introduced on 17 Mar 2014 as a response to the unlawful annexation of Crimea by Russia.</p>	