ELFA Legal & Regulatory Update
10/08/2020 – 14/08/2020

Key Highlights:

- This Legal & Regulatory Update covers the week commencing **10/08/2020**.
- FCA issues letter to senior partners and directors of audit firms on reporting obligations.
- FCA issues letter to firms providing non-discretionary investment service on increased client money balances since coronavirus (Covid-19) pandemic.
- EIOPA finalises regulation of pan-European Personal Pension Product (PEPP).
- EBA publishes guidance on impact of CRR adjustments in response to COVID-19 pandemic on supervisory reporting and disclosure.
- European Commission consults on proposal to allow investment firms to rebundle payments for research on small and midcap issuers and fixed income instruments, to aid economic recovery.
- AMF publishes results of its review of bond market transparency under MiFID II.
- FINMA authorises third supervisory organisation.
- FSB publishes questionnaire on continuity of access to FMIs for firms in resolution.
- IOSCO examines evolution of liquidity provision in equity securities markets.
- ICMA responds to EBA's consultation on contractual recognition of stay powers under BRRD.
- Federal Reserve Board announces individual large bank capital requirements.
- In this update, we also cover some of the most important news on leveraged finance published by the Financial Times and Thomson Reuters during the week.

Bank of England (BoE)

10 – 14 August 2020: Speeches, Letters & Publications

During the week, the Bank of England (BoE) released the following speeches & other publications that might be of interest to our readers:

- Bank of England Weekly Report 12 August 2020
- Fourth meeting of the PRA and FCA's joint Climate Financial Risk Forum
- Letter from Mel Beaman 'Building societies sourcebook – fixed rate lending guidelines' - Letter to chief executive officers of non-systemic building societies, following a request from the Building Societies Association
- Results of the Semi-Annual FX Turnover Surveys in April 2020
- Consolidated Market Notice: Asset Purchase Facility: Gilt Purchases
- Minutes of the Post-Trade Task Force meeting - July 2020
- Minutes of the Standards Advisory Panel - June 2020
- Statistical Notice 2020/08
- Statistical Notice 2020/09
- Does quantitative easing boost bank lending to the real economy or cause other bank asset reallocation? The case of the UK, Staff Working Paper
- Does bonus cap curb risk taking? An experimental study of relative performance pay and bonus regulation, Staff Working Paper

Financial Conduct Authority (FCA)

10 – 14 August 2020: Speeches, Letters & Other Publications

During the week, the Financial Conduct Authority (FCA) released the following publications & and announcements that might be of interest to our readers:

- Reporting obligations for audit firms - FCA letter to senior partners and directors of audit firms on reporting obligations
- Dear CEO letter to firms who provide a non-discretionary investment service on increased client money balances since the coronavirus (Covid-19) pandemic
- Covid-19 Premium Finance (No 2) Instrument 2020
- High Court orders illegal pension introducers Avacade, Alexandra Associates and their directors to pay £10,715,000 restitution to consumers

European Insurance and Occupational Pensions Authority (EIOPA)

14 August 2020: EIOPA finalises regulation of pan-European Personal Pension Product

The European Insurance and Occupational Pensions Authority (EIOPA) delivered to the European Commission a set of draft Regulatory and Implementing Technical Standards and its advice on Delegated Acts to implement the framework for the design and delivery of the Pan-European Personal Pension Product (PEPP). EIOPA's proposed legal instruments follow the objective to unlock the potential of the European personal pension market by setting the right incentives for the creation of future PEPPs, as portable, simple and cost-efficient products. The regulatory provisions include clear and enforceable quality criteria for PEPP to be followed by providers and so to ensure that European consumers will be offered high-quality, safe, transparent and simple PEPPs. At the same time, EIOPA is leaving sufficient room for innovation and competition to reach good pension outcomes. Clear criteria for sound and robust investment strategies and risk mitigation techniques will help in delivering better long-term returns to savers and in managing investment risks to match the European citizen's risk appetite.

In this regard, EIOPA developed two mandatory consumer information documents: the PEPP Key Information Document (PEPP KID) and PEPP Benefit Statement. These standardised information documents will provide consumers with relevant information allowing for easier decision-making before entering into a binding contract and monitoring the savings' performance during the life of the contract. The success of PEPP will depend on strong supervision and close cooperation between national competent authorities in the different Member States. EIOPA is of the view that regular supervisory reporting and solid product intervention powers will be necessary to ensure efficient and effective supervision and monitoring of the PEPP market, both at national and European level.

10 – 14 August 2020: Speeches, Letters & Other Publications

During the week, EIOPA released the following speeches, letters and publications that might be of interest to our readers:

- EIOPA publishes bi-weekly information for Relevant Risk Free Interest Rate Term Structures and Symmetric Adjustment to Equity Risk with reference to 11 August 2020

European Banking Authority (EBA)

11 August 2020: EBA publishes guidance on impact of CRR adjustments in response to COVID-19 pandemic on supervisory reporting and disclosure

The European Banking Authority (EBA) published a revised version of its Implementing Technical Standards (ITS) on supervisory reporting v3.0 and two sets of guidelines on disclosures and supervisory reporting requirements. These products provide clarifications on the application of certain adjustments ("quick fix") on institutions' disclosures and supervisory reporting introduced in the Capital Requirements Regulation (CRR) in response to the COVID19.

In particular, the guidelines on supervisory reporting and disclosure requirements provide clarity on how to report the ITS on supervisory reporting versions 2.9 and 2.10, and on the existing ITS on disclosure of leverage ratio. The amending guidelines on disclosure clarify whether institutions are going to apply or not the temporary treatment included in the new Article 468 of the CRR for unrealised gains and losses measured at fair value through other comprehensive income and adjustments to the provisions on IFRS 9 transitional arrangements in accordance with Article 473a of the CRR. Finally, the revised final draft ITS on reporting for v3.0 replace the final draft ITS submitted in June (EBA/ITS/2020/05) to accommodate the CRR "quick fix" and impact Annexes I, II, X, XI of the final draft ITS.

12 August 2020: EBA consults on guidelines on criteria for use of data inputs in expected shortfall risk measure under Internal Model Approach

The EBA launched a consultation on draft guidelines on criteria for the use of data inputs in the risk-measurement model referred to in Article 325bc under the Internal Model Approach (IMA) for market risk. These Guidelines are part of the deliverables included in the roadmap for the new market and counterparty credit risk approaches published on 27 June 2019. The consultation runs until 12 November 2020.

Institutions using the IMA to compute own funds requirements for market risk are required to compute the expected shortfall (ES) risk measure for those risk factors for which a sufficient amount of verifiable prices is available (modellable risk factors). The guidelines clarify the conditions to be met by the data related to modellable risk factors, which institutions should use in their ES calculations. In particular, these guidelines clarify that the data used to compute the ES risk measure should be (i) accurate, (ii) appropriate, (iii) frequently updated, and (iv) complete and overall consistent in its use in the ES risk measure.

12 August 2020: EBA consults on use of RegTech solutions and ways to support the uptake of RegTech across the EU

The EBA launched a RegTech industry survey to invite all relevant stakeholders, such as financial institutions and ICT third party providers, to share their views and experience on the use of RegTech solutions, on a best effort basis. The aim of the survey is to better understand the ongoing activity in this area, raise awareness on RegTech within the regulatory and supervisory community, and inform any relevant future policy discussion. The EBA is also seeking ways to facilitate the adoption and scale up of RegTech solutions across the EU whilst acknowledging and looking to address the underlying risks. The consultation runs until 30 September 2020.

Feedback from financial institutions and ICT third party providers is essential to better understand the extent and the impact of the use of technology-enabled innovation (RegTech) for regulatory, compliance and reporting requirements by regulated institutions. In its survey, the EBA is focusing in particular on (i) mapping and understanding the existing RegTech solutions; (ii) identifying the main barriers and risks related to the use of RegTech solutions; and (iii) identifying potential ways to support the uptake of RegTech across the EU.

14 August 2020: EBA makes available online tools to submit answers to its study of cost of compliance with supervisory reporting

Following the launch of the industry questionnaire to support its work on optimising supervisory reporting requirements and reducing reporting costs for institutions, the EBA has made available online tools to allow all stakeholders to submit their responses. The EBA has set up two separate online surveys given the different deadlines for the qualitative and quantitative sections of the questionnaire. Responses to the qualitative section of the questionnaire are expected by 1 October 2020, while those to the quantitative questions are expected by 31 October 2020. Although answering the questionnaire is of voluntary nature, the EBA encourages a wide industry participation to ensure that the input into the analysis, and thus the basis for developing any related recommendation, is of good quality and representative for the EU banking sector.

14 August 2020: EBA updates its work programme for 2020 in light of COVID-19 pandemic

The EBA published its updated annual work programme for 2020 to reflect all the changes brought in by the COVID-19 pandemic to its activities. The EBA work programme has been impacted by the outbreak of COVID-19 and its global spread since February 2020, resulting in contained delays mainly to allow banks to focus on and ensure continuity of their core operations, including support to their customers. The updated work programme aims to alleviate the burden on banks and to limit to the minimum the interaction with the industry. For this reason, the EBA only launched new consultations which were considered critical, postponed the publication of final technical standards depending on their degree of finalisation and expected time of implementation, and put on hold data collections normally used for ad-hoc analyses.

European Central Bank (ECB)

10 – 14 August 2020: Speeches, Letters & Other Publications

During the week, the European Central Bank (ECB) released the following speeches, letters and publications that might be of interest to our readers:

- ECB report on banks' ICAAP practices
- List of supervised entities (as of 1 July 2020)
- Risk and return in international corporate bond markets, Working Paper Series
- The simpler the better: measuring financial conditions for monetary policy and financial stability, Working Paper Series
- Nowcasting with large Bayesian vector autoregressions, Working Paper Series
- Macroprudential policy and the role of institutional investors in housing markets, Working Paper Series
- A decomposition of structural revenue developments for euro area member states, Working Paper Series
- Patterns in invoicing currency in global trade, Working Paper Series
- ECB's sixth report on card fraud
- "Consolidation can secure safe and sound banks", Interview with Edouard Fernandez-Bollo, ECB representative to the Supervisory Board

European Commission (EC)

24 July 2020: European Commission consults on proposal to allow investment firms to rebundle payments for research on small and midcap issuers and fixed income instruments, to aid economic recovery

It is important to notify our ELFA readers that, last month, the European Commission (EC) launched a consultation on a proposal that would allow investment firms to rebundle payments for research on small and midcap issuers and fixed income instruments, to aid in the recovery from the COVID-19 pandemic and to mitigate the decline in research coverage of those sectors caused by unbundling as observed over the years prior to the pandemic. While issuers, and in particular small and mid-cap companies, have experienced a decline in research coverage for several years, the COVID-19 pandemic has further increased the need of these companies for alternative financing measures. After the entry into application of the new MiFID II provisions, and in particular of the "research unbundling" rule, the overall trend of decline continues largely along the same trajectory. The Commission therefore expects that an exemption from the unbundling rule for small and mid-cap companies should result in an increase of research coverage for those companies. The Commission also expects that an exemption from the unbundling rule for research on fixed income instruments should result in an increase of resources devoted to business continuity and in an increase of the available information on fixed income issuances.

The proposed draft legislation introduces a narrowly defined exception from the requirement under MiFID II that investment firms pay for research separately from execution, authorising the joint payment for execution services and research on small and midcap issuers and research on fixed income instruments. Small and mid-cap companies would be defined as companies that did not exceed a market capitalization threshold of EUR 1 billion over a 12 months period. In the case of joint payments for the execution of trades in the above described market segment, the current requirement to set up a research payment account (RPA) or to issue separate invoices for research would not apply. As a counter-balancing measure, however, joint payments would only be allowed in case of an ex-ante agreement between the investment firm and the research provider on what part of the joint payments are attributable to the provision of research. In addition, the investment firm should inform its clients of the joint payment. This targeted exemption would be achieved with amendments to Article 13 of the delegated Directive (EU) 2017/593.

Autorité des Marchés Financiers (AMF) of France

14 August 2020: AMF publishes results of its review of bond market transparency under MiFID II

The Autorité des Marchés Financiers (AMF) has published the results of its review of bond market transparency under MiFID II. More than two years after MiFID II came into force, the AMF decided to conduct a review of the transparency measures introduced by the new legislation on bonds, and in particular the conditions for access and use of post trade transparency data by market participants. The analysis revealed that the transparency of transaction information is not currently accessible, reliable and relevant enough to enable investors to make effective use of it. This is because transparency is fragmented and data vendors currently do not consolidate the full range of available sources. Furthermore, access to data continues to be difficult for market participants, since some publication services have yet to meet all the criteria defined by ESMA. The AMF also notes that some of the data is of mixed quality and potentially incomplete. The analyses conducted by the AMF are borne out by several surveys and studies of market participants conducted by professional organisations and national regulators. The interviews conducted with various stakeholders suggest that the main findings of this study are shared by bond market participants to a relatively large extent.

Swiss Financial Market Supervisory Authority (FINMA)

12 August 2020: FINMA authorises third supervisory organisation

The Swiss Financial Market Supervisory Authority (FINMA) has granted the Organisme de Surveillance pour Intermédiaires Financiers & Trustees (SO-FIT) licence as a supervisory organisation with effect from 11 August 2020. It is therefore authorising the third supervisory organisation under FinIA and FinSA. In addition, FINMA is recognising SO-FIT as a self-regulatory organisation. The supervisory organisations will be responsible for the supervision of portfolio managers and trustees in the future.

Financial Stability Board (FSB)

14 August 2020: FSB publishes questionnaire on continuity of access to FMIs for firms in resolution

The Financial Stability Board (FSB) published a common template for gathering information about continuity of access to financial market infrastructures (FMIs) for firms in resolution. The template takes the form of a questionnaire that all FMIs are encouraged to complete. The responses to the questionnaire should be published or made available in other ways to firms that use the FMI services and their resolution authorities to inform their resolution planning. The use of a common questionnaire should reduce the "many to one" nature of inquiries from FMI participants and authorities to FMIs to inform resolution planning and should streamline the provision of this information from FMIs to firms and authorities.

The FSB developed the questionnaire in consultation with FMIs, FMI participants, FMI oversight authorities and with the assistance of the Secretariats of the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions. It covers: general information on the FMI and its legal structure; the rulebook / contractual provisions regarding termination; the phase prior to resolution, during signs of distress at the FMI participant; the resolution phase; and arrangements and operational processes to facilitate continued access in resolution. The experience with the use of the questionnaire will be reviewed after one year, in consultation with FMIs, FMI participants and FMI oversight authorities.

10 – 14 August 2020: Speeches, Letters & Other Publications

During the week, the FSB released the following speeches, letters and publications that might be of interest to our readers:

- Central Banking interview on the FSB's too-big-to-fail evaluation
  Claudia Buch (Vice-President of the Deutsche Bundesbank) spoke with Daniel Hinge (Central Banking) about the FSB's evaluation on too-big-to-fail reforms

International Organization of Securities Commissions (IOSCO)

11 August 2020: IOSCO examines evolution of liquidity provision in equity securities markets

The Board of the International Organization of Securities Commissions (IOSCO) published a report that explores how liquidity provision has evolved in equity securities markets in recent years. The report, titled Liquidity Provision in the Secondary Markets for Equity Securities, identifies some of the key elements of market making programs that may help promote the provision of liquidity, strengthen investor confidence and foster fair and efficient markets.

Liquidity provision in equity securities markets plays a vital role in price discovery, thereby helping markets to function efficiently. This report, based on a survey of regulatory authorities, trading venues and market intermediaries, considers how liquidity provision has evolved in equity securities markets. The report identifies several common themes which regulators could consider as key elements in relation to market making programs and/or other liquidity provision incentive arrangements, in particular:

- Registration of market makers;
- Obligations imposed on market makers;
- Balancing the obligations and benefits of the programs;
- Monitoring compliance with the program; and
- Public disclosure about the programs.

This report and the key elements identified were prepared prior to the COVID-19 pandemic. IOSCO is discussing possible future work relating to the impact of the pandemic on market making and liquidity in equity securities markets.

International Capital Market Association (ICMA)

14 August 2020: ICMA responds to EBA's consultation on contractual recognition of stay powers under BRRD

The ICMA Legal & Documentation Committee and the ICMA European Repo and Collateral Council submitted a response to the EBA's consultation paper on draft RTS on the contractual recognition of stay powers under Article 71a(5) of Directive 2014/59/EU (BRRD) expressing concerns with certain elements of EBA's proposed RTS and urging EBA to consider further alignment with the FSB's Principles for Cross Border Effectiveness of Resolution Actions.

Other Updates

We would like to bring to our ELFA readers' attention the following regulatory updates from regulators & associations we are not currently monitoring.

10 August 2020: Federal Reserve Board announces individual large bank capital requirements

Following its stress tests earlier this year, the Federal Reserve Board announced individual large bank capital requirements, which will be effective on October 1. Under its framework for large banks—those with more than $100 billion in total assets—capital requirements are in part determined by stress test results, which provide a risk-sensitive and forward-looking assessment of capital needs.

The below table shows the total common equity tier 1, or CET1, capital requirements for each large bank, which is comprised of several components, including:

- Minimum capital requirements, which are the same for each firm and are 4.5 percent;
- The stress capital buffer, or SCB, which is determined from the stress test results, and is at least 2.5 percent; and
- If applicable, a capital surcharge for global systemically important banks, or GSIBs, which is at least 1.0 percent.

elfa European Leveraged Finance Association

In the News

During the week, the Financial Times & Thomson Reuters published the following news that might be of interest to our readers.

Financial Times

- UK looks to extend bailout loans to private equity-owned groups
  "The British government is trying to find a way to offer state-backed loans to debt-laden companies owned by private equity groups, in the hope of rescuing a swath of the British high street"

- UK bosses take pay cuts ahead of pandemic
  "Pay for chief executives at the 30 largest companies in the UK fell almost a tenth last year, marking a five-year low for investor pay revolts as boards kept stricter watch on remuneration"

- City Bulletin: UK falls into record recession after slump in GDP
  "It's official: the UK fell into recession in the second quarter of the year after the Office for National Statistics reported the second consecutive quarterly decline in GDP"

- New Look launches second debt-for-equity swap
  "Fashion retailer New Look is to undertake a second debt restructuring in as many years, as it grapples with the effects of the coronavirus pandemic on its already-struggling business"

- Two companies to pay £10.7m to investors sold risky schemes
  "Two UK companies that persuaded thousands of pension savers to invest their retirement cash in risky, unregulated schemes have been ordered to pay a record £10.7m to people who lost out"

- Asos upgrades outlook as customers return fewer clothes
  "Online fashion retailer Asos has said that sales and profits will be "significantly ahead" of market expectations this year, as more customers shopped on the web during lockdown and returned fewer of its products than anticipated"

- EU's top credit rating can survive €750bn stimulus, say agencies
  "The EU's plan to issue €750bn of bonds to fund its Covid-19 recovery poses no immediate threat to the bloc's credit rating, according to the biggest agencies, despite big divisions between member states on how to pay the money back"

- Credit investors go 'all in' rather than fight central banks
  "European credit investors have gone "all in", judging that the extraordinary market-supporting measures of central banks are too powerful to fight against, according to a survey by Bank of America"

- UBS beats Amundi as top European manager of retail investor assets
  "UBS Asset Management has leapfrogged Amundi as the largest European manager of retail investor assets, as wild market swings this year led to a reversal in the fortunes for the region's leading fund managers"

- Lenders to baggage handler Swissport offer rescue deal
  "Lenders to the world's biggest baggage handling group Swissport have offered a rescue package that would restructure its €2.1bn of net debt and could transfer ownership to them from struggling Chinese conglomerate HNA Group"

- What action might the Fed take in September?
  "Despite these reassuring words, investors were left wondering what policies the Fed was considering in the near term"

- Wall Street bank fees from China listings jump despite political tension
  "Wall Street banks have earned hundreds of millions in fees from Chinese groups selling shares in New York and Hong Kong in 2020, illustrating the fee pool that is at stake as Washington threatens to delist these companies from US markets"

- [Ball Corp breaks new ground with junk bond offering just 2.9%]
"Aluminium can maker Ball Corporation secured the lowest-ever borrowing costs for a US junk-rated company on Monday, as income-starved investors shrugged off lingering concerns over Covid-19 in their pursuit of higher yields"

- [The $21bn petrol station gamble: 7-Eleven owner strengthens US grip with Speedway deal]
"At a time when petrol demand has suffered its worst crash in decades and electric vehicle manufacturer Tesla has overtaken Toyota to become the world's most valuable carmaker, petrol stations seem an unlikely place to make a $21bn gamble"

- [WeWork secures $1.1bn loan from SoftBank]
"SoftBank has agreed to lend $1.1bn to WeWork to help cover the disruptions caused by coronavirus, on top of the more than $10bn it has already invested in the lossmaking property group, according to a memo sent by WeWork's chief financial officer to employees"

- [Investor fears about looming inflation are overblown]
"Inflation rates have dropped in most countries in the wake of the Covid-19 shock, but many investors still worry that the crisis will ultimately lead to soaring prices and a regime shift away from the "Great Moderation" that has delivered relative stability for decades"

- [Companies desperate for cash must be better corporate citizens]
"As the scale of government borrowing and spending became clear earlier this year, there were calls for public support for companies to be conditional on business behaviour that also serves the public interest. Conditions include not operating in tax havens, raising environmental standards, limiting executive pay and extending financial support to staff and suppliers. Many ideas have been put forward and some have been adopted"

- [Gold's evolution into a 'must-have' asset is storing up trouble]
"Contrary to what most textbooks would suggest, the recent drop in nominal yields has coincided with a rise in inflationary expectations. This makes gold a more attractive substitute for government bonds in two ways"

- [Gold rebounds from biggest daily tumble in 7 years]
"Gold rebounded from its biggest one-day sell-off in seven years on Wednesday, prompting analysts to forecast a period of more steady moves for the precious metal after it soared to record highs last week"

- [ESG screens provided no protection in virus sell-off, says study]
"Strong environmental, social and governance credentials provided no special protection to risky companies during the Covid-19 related drop in markets earlier this year, according to research that challenges the idea that such attributes can make a portfolio more durable"

- [ESG funds attract record inflows during crisis]
"Investors have injected record sums into sustainable investment funds during the coronavirus pandemic, providing a glimmer of hope to active managers battered by the relentless flight of capital into passive products"

- [Funds branded 'ESG' are laden with technology stocks]
"Investment funds branded as "sustainable" are under fire for their heavy exposures to US tech giants at the centre of controversies over data privacy, labour practices and monopolistic behaviour"

- [Active tech, healthcare and ESG funds outpace passives]
"Actively managed funds have been outpacing passives in hot-ticket equity sectors as investors seek exposure to the economic megatrends that have been accentuated by the Covid-19 crisis"

- [Asia's biggest market for ESG debt hit by 'greenwashing' concerns]
"Asia's fastest-growing market for debt billed as "socially responsible" has drawn criticism after data showed the vast majority of this funding has been raised for jobs and housing rather than the environment"

- China and Russia ditch dollar in move towards 'financial alliance'
  "Russia and China are partnering to reduce their dependence on the dollar — a development some experts say could lead to a "financial alliance" between them"

- Belarus bonds dumped by investors fearful of EU sanctions
  "Investors in Belarus's sovereign debt are growing jittery about the threat of international sanctions against the country in the wake of last Sunday's disputed election"

- South Korean retail investors hit by plunge in Brazil's real
  "Retail traders in South Korea face big losses after bets on billions of dollars of Brazilian government bonds soured, prompting calls for regulators to better protect mom-and-pop investors from risky products"

- Lebanon debt talks 'on pause' after government resigns
  "The resignation of Lebanon's government following last week's devastating explosion in Beirut has pushed back the prospect of a deal to restructure the country's debt, investors say"

- Saudi Aramco plans deeper spending cuts to pay for dividend
  "Saudi Aramco plans to make even deeper cuts to its capital spending to help pay for the $75bn in dividends the state energy group promised investors at its initial public offering last year"

- How Argentina and its creditors thrashed out a $65bn deal
  "The prospect of the government pausing talks with bondholders and instead shifting focus to hashing out a deal with its largest creditor, the IMF — which has already lent Argentina $44bn as part of a record $57bn bailout extended in 2018 — unleashed "absolute panic" among investors"

Thomson Reuters

- BoE to step up QE if economy slows again, deputy governor says - The Times
  "The Bank of England will step up on quantitative easing (QE) if the British economy slows and struggles again, Deputy Governor Dave Ramsden said in an interview published on Tuesday, adding to his previous comments that BoE has more headroom to act"

- UK-based sustainable funds see record inflows in July -Calastone
  "UK-based funds focusing on environmental, social and governance issues saw record inflows of 362 million pounds ($472.70 million) in July as investors seek growth rather than value stocks, data from fund network Calastone showed"

- Switzerland's RAM Active Investments launches climate-change fund
  "RAM Active Investments, a Geneva-based investment firm with around $3.1 billion of assets under management, has launched a fund focused on climate-change, as increasing numbers of firms move into environmental, societal and governance (ESG) fields"

- Breakingviews - TUI equity call is probably a matter of when
  "Even if the recovery is extremely robust and reasonably fast, TUI's present 5.8 billion euros of net debt is a heavy burden, above 5 times estimated 2021 EBITDA of 1.1 billion euros"

- Bridgewater hedge fund boosts gold ETF investment to over $1 billion
  "Hedge fund Bridgewater Associates raised its investment in gold-backed exchange-traded funds by a third in the second quarter, buying the equivalent of 170,000 ounces of gold worth $340 million at current prices, a regulatory filing showed"

- Euro zone government bonds sell off for fourth consecutive day
  "Euro zone government bond yields rose on Friday, after three consecutive days of selling-off, with the benchmark German 10-year Bund yield having briefly touched a six-week high in early London trading"

- ECB liquidity floods euro money market and distorts indicators
  "A key euro zone interbank money-market rate is trading below the European Central Bank's own official rate for the first time in over five months, a sign of the vast amount of cash that has been poured into the system to combat the COVID-19 crisis"

- France aims to help SMEs with $3.5 billion aid: Sud Ouest
  "The French government's economic recovery plan, which will be unveiled later this month, will entail 3 billion euros ($3.5 billion) in aid for small- and medium-sized enterprises (SMEs), the Sud Ouest reported citing Finance Minister Bruno Le Maire"

- SAS says main owners Sweden and Denmark support tweaked rescue plan
  "Airline SAS said on Friday its main owners had approved a revised rescue plan after it made changes to a key part of the deal earlier this month"

- Bumper U.S. debt issue draws lukewarm demand
  "The U.S. Treasury Department's biggest auction ever of 30-year bonds met weak demand on Thursday, as the market struggled to absorb debt aimed at supporting an economy hit by the coronavirus pandemic"

- U.S. fines food company over forced labor imports from China
  "The United States has hailed a milestone in its drive to ban the imports of products made by forced labor, after fining a company it judged to have used Chinese prisoners to make food sweetener"

- Southwest Airlines CEO calls idea of profit this year 'unrealistic'
  "The company last month posted a $915 million loss for the second quarter. Kelly said it is still burning through about $20 million a day"

- Commodity traders face rising finance costs as big banks pull out
  "Commodity trade financing by the world's banks is drying up at a rate not seen in more than 20 years, leaving small and medium sized firms most exposed, banking and trading sources said"

- Australia's CBA to pay maximum dividend allowed despite COVID-19 hit
  "Commonwealth Bank of Australia (CBA) (CBA.AX) slashed its annual dividend by more than half to the maximum payout allowed by regulators, even as bad loan provisions amid the coronavirus pandemic drove its annual cash profit below market expectations"

- China data mystery prompts talk of stealth PBOC bond buying
  "A mysterious increase in Chinese government bond (CGB) holdings by unknown investors has prompted speculation that China's central bank has bought the debt in recent months to bolster the country's economic recovery"

- BOJ paying banks to boost pandemic relief, compensates for negative interest rates
  "As the Bank of Japan tries to pump more funds to companies hit by the coronavirus pandemic, it is offering banks hundreds of millions of dollars in bonuses, a move analysts say is aimed at easing the side-effects of its negative interest rate policy"

- Saudi stock exchange to launch environmental index with MSCI: CEO
  "Saudi Arabia's stock exchange (TADAWUL) plans to launch an environmental, social or governance (ESG) index in cooperation with global index provider MSCI by the fourth quarter of this year or first quarter of 2021, the bourse's chief executive said"

- Libya sovereign fund to ask UN for freedom to invest billions
  "Libya's sovereign wealth fund head plans to ask the United Nations to allow it to invest billions of dollars sitting idle in its accounts, after missing out on some $4.1 billion in potential equity returns during nearly a decade of sanctions"

- Oman secures $2 billion bridge loan: sources
  "The government of Oman has signed a one-year $2 billion bridge loan with a group of international and regional banks, two sources with knowledge of the matter said"

Regulators & Associations Monitored

1. FCA
2. BoE
3. The Pensions Regulator
4. FRC
5. ESMA
6. EBA
7. EIOPA
8. ECB
9. European Commission
10. BCBS
11. Autorité des Marchés Financiers (AMF) of France
12. CSSF
13. FINMA
14. CBI
15. ICMA
16. IOSCO
17. FSB

Important Information: