

## ELFA Legal & Regulatory Update

24/08/2020 – 28/08/2020

### Key Highlights:

- This Legal & Regulatory Update covers the week commencing **24/08/2020**.
- [ESMA](#) publishes amending draft RTS delaying CSDR-Settlement Discipline to February 2022.
- [ESMA](#) confirms 2019 guidelines on stress test scenarios under Money Market Funds Regulation (MMFR) will be updated in 2020 to include a modification of risk parameters to reflect recent market developments related to COVID-19 crisis.
- [CBI](#) publishes results of its thematic review of Retail Intermediary Annual Returns (RIAR), highlighting overall improvement in compliance with reporting requirements.
- [Autorité des Marchés Financiers](#) (AMF) of France asks H2O to suspend a series of French domiciled UCITS funds because of their “significant exposure” to illiquid bonds.
- [CSSF](#) publishes information on global situation of undertakings for collective investment at end of July 2020.
- [FSB](#) publishes Key Attributes Assessment Methodology for insurance sector (insurance KAAM).
- 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)

#### 27 August 2020: PRA terminates its temporary approach to VAR back-testing exceptions

On Monday 30 March 2020, the Prudential Regulation Authority (PRA) published its [statement on VAR back-testing exceptions temporary approach](#), advising that it would conduct a review of the temporary approach that allows firms to offset increases due to new back-testing exceptions through a commensurate reduction in risks-not-in-VAR (RNIV) capital requirements. This review has now taken place. In light of the amendments to the Capital Requirements Regulation (CRR) in response to the Covid-19 outbreak (the CRR ‘Quick Fix’), [the PRA has decided](#) to terminate its temporary approach to VAR back-testing exceptions from Wednesday 30 September 2020. From Thursday 1 October 2020 onwards, firms should no longer apply any commensurate reduction in RNIV capital requirements. For back-testing exceptions that occur between Wednesday 1 January 2020 and Friday 31 December 2021 that do not result from deficiencies in their internal model, firms should now apply to the PRA in accordance with CRR Article 500c to exclude those exceptions from the calculation of their back-testing addend.

#### 24 – 28 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:

- [PRA statement on Covid-19: IFRS 9 and capital requirements – Guidance as Covid-19 specific payment deferrals come to an end](#)
- [The central bank balance sheet as a policy tool: past, present and future](#) – Speech by Andrew Bailey
- [Capital Issuance - July 2020](#)
- [Bank of England Weekly Report 26 August 2020](#)
- [Credit union quarterly statistics - 2020 Q1](#)
- [How has Covid-19 affected the finances of UK households?](#) – Bank Overground

### Financial Conduct Authority (FCA)

#### 24 – 28 August 2020: Speeches, Letters & Other Publications

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

- [CP20/17: Extension of Annual Financial Crime Reporting Obligation](#) – The FCA is considering extending the scope of its annual financial crime reporting obligation to include firms that carry on regulated activities that potentially pose a higher money laundering risk

- [FCA explains that Wirecard has announced that it is winding-down its business](#)
- [Market Watch issue 64: market conduct and Brexit and MiFID II transaction reporting issues](#)
- [FCA proposes the next stage of support for mortgage borrowers](#)

## The Pensions Regulator (TPR)

### 24 – 28 August 2020: Speeches, Letters & Other Publications

During the week, The Pensions Regulator (TPR) released the following publications & announcements that might be of interest to our readers:

- [Employers continue to meet pension duties despite COVID-19 challenges](#)
- [Pension savers claim over £30 million lost to scams as regulators urge footie fans to show scammers the red card](#)
- [Fast Track or Bespoke? The future of DB valuations](#) – Blog
- [The success of automatic enrolment has been hard won – we cannot let COVID-19 set us back](#) – Blog
- [TPR's future of DB funding](#) – Webinar

## European Securities and Markets Authority (ESMA)

### 27 August 2020: ESMA confirms 2019 guidelines on stress test scenarios under Money Market Funds Regulation (MMFR) will be updated in 2020 to include a modification of risk parameters to reflect recent market developments related to COVID-19 crisis

The European Securities and Markets Authority (ESMA) [confirmed](#) that the 2019 Guidelines on stress test scenarios under the Money Market Funds Regulation (MMFR) will be updated in 2020 to include a modification of the risk parameters to reflect recent market developments related to the COVID-19 crisis. ESMA has assessed whether the scenarios envisaged in the 2019 Guidelines are still appropriate and concluded that applying the 2019 scenarios in the current market environment generally leads to absolute levels of stress similar to the levels observed in March 2020. However, for some parameters, the 2019 scenarios have been exceeded by the extreme market movements observed during the COVID-19 crisis and the relevant factors will be updated accordingly. The guidelines, under the MMFR, are updated at least every year taking into account the latest market developments.

### 28 August 2020: ESMA publishes amending draft RTS delaying CSDR-Settlement Discipline to February 2022

ESMA published a [final report](#) on draft regulatory technical standards (RTS) definitively postponing the date of entry into force of the [Commission Delegated Regulation \(EU\) 2018/1229](#) (RTS on settlement discipline) until 1 February 2022. This postponement is due to the impact of the COVID-19 pandemic on the implementation of regulatory projects and IT deliveries by Central Securities Depositories and a wide range of market participants and follows a [request from the European Commission](#) (EC).

The measure is additional to the [Commission Delegated Regulation \(EU\) 2020/1212](#), based on ESMA's [proposal](#) to amend the RTS on settlement discipline to postpone its date of entry into force from 13 September 2020 to 1 February 2021. The RTS on settlement discipline cover measures to prevent and address settlement fails including:

- rules for the trade allocation and confirmation process;
- cash penalties on failed transactions;
- mandatory buy-ins; and
- monitoring and reporting of settlement fails.

Following the endorsement of the RTS by the EC, the Delegated Regulation will then be subject to the non-objection of the European Parliament and of the Council.

### 24 – 28 August 2020: Speeches, Letters & Other Publications

During the week, ESMA released the following publications & announcements that might be of interest to our readers:

- [ESMA selects Chair and Independent Members for its CCP Supervisory Committee](#)

## European Central Bank (ECB)

### 24 – 28 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 publishes consolidated banking data for end-March 2020](#)
- [ESCB / European banking supervision response to the European Commission's public consultation on a new digital finance strategy for Europe / FinTech action plan](#)

- [ECB extends euro liquidity lines with two central banks](#)
- [ECB Survey of Monetary Analysts \(SMA\), September 2020](#)
- [Letter from Andrea Enria, Chair of the Supervisory Board, to Dr Bayaz, Member of the German Bundestag, on banking supervision](#)
- [Philip R. Lane: The pandemic emergency: the three challenges for the ECB – Speech](#)
- [Isabel Schnabel: Going negative: the ECB's experience – Speech](#)
- [The international dimension of an incomplete EMU – Working Paper Series](#)
- [Convex supply curves – Working Paper Series](#)
- [How to estimate a VAR after March 2020 – Working Paper Series](#)
- [The effect of macroprudential policies on credit developments in Europe 1995-2017 – Working Paper Series](#)
- [Philip R. Lane with CNBC – Interview](#)

## Central Bank of Ireland (CBI)

### 25 August 2020: CBI publishes updated customer profiles for assessment of Section 149 notifications

The Central Bank of Ireland (CBI) has [published](#) updates to the notional customer activity profiles. This is the first update to the profiles since 2015. The profiles are evidence-based and informed by data and research on consumer behaviour and trends.

The key changes in the updated profiles are as follows:

- an overall reduction in OTC withdrawal usage figures, particularly for Manual profile customers, due to a greater shift towards cashless transactions;
- a significant increase in Point of Sale (POS) Debit transactions, including online transactions, for all customer profiles;
- a significant decrease in POS Debit Contactless transactions for Electronic and Standard profile customers, but an increase for Manual profile customers;
- an overall decrease in credit transfer usage figures, reflecting different transaction methods being used; and
- an increase in Direct Debit / Standing Order Charge figures for all customer profiles except the Electronic profile, which remains unchanged.

The updated profiles reflect data based on pre-COVID behaviour.

### 27 August 2020: CBI publishes results of its thematic review of Retail Intermediary Annual Returns (RIAR), highlighting overall improvement in compliance with reporting requirements

The CBI has published the [findings of a Thematic Review of the Retail Intermediary Annual Return \(RIAR\)](#). The Review forms the latest part of a multi-year supervision programme undertaken by the CBI to regulate the compliance of firms with annual return reporting requirements. Since 2015, the programme has targeted non-compliant firms, leading to significant improvements in the submission levels of the RIAR. Submission levels have increased from 81% as at 31 December 2013 to 98% in 2020.

This latest Review examined the accuracy and quality of data submitted, and identified some material instances of incorrect reporting across categories including:

- financial position (net asset position);
- gross income / turnover;
- commission and fee income; and
- professional indemnity insurance.

The Review concluded that, in the majority of cases, incorrect reporting was due to either a lack of understanding of reporting requirements or human error. The CBI has set out its expectations that firms will assess their procedures and controls to address specific issues identified and to mitigate against any further incorrect data reporting going forward.

The Review also identified a small number of investment intermediaries that were unaware of their obligation to produce annual audited accounts. The CBI explained that it is proactively engaging directly with those retail intermediaries that have failed to accurately report on this requirement, including where other issues of concern have been identified. In addition, the Review found that some investment intermediaries were not actively trading and were retaining their authorisation for future use. As a result, and following engagement with the Review team, these firms' authorisations were put to use or voluntarily revoked. Finally, the CBI stressed that the onus is on firms to be fully aware of and compliant with all requirements necessary to operate in the retail intermediary sector and, in particular, the timely submission of complete and accurate annual returns.

## **Autorité des Marchés Financiers (AMF) of France**

### **25 August 2020: AMF confirms requesting suspension of subscriptions and redemptions of units for three French domiciled UCITS funds managed by UK based asset management company H2O Asset Management LLP**

The Autorité des Marchés Financiers (AMF) [confirmed](#) that it has requested H2O Asset Management LLP to suspend the subscriptions and redemptions of units of three UCITS funds H2O ALLEGRO, H2O MULTIBONDS and H2O MULTISTRATEGIES to protect the interests of unit holders and the public. The regulator also takes note of the decision made by the management company to suspend these three funds and to further extend this suspension to five other funds in their product range as mentioned by the asset management company in their [press release](#). These five other funds are the four UCITS: H2O ADAGIO, H2O MODERATO, H2O MULTIEQUITIES, H2O VIVACE, and one AIF: H2O DEEP VALUE.

In its press release, H2O Asset Management explained that the decision is motivated by valuation uncertainties on the significant exposure of these funds to “private” securities, which arose from the still very partial completion of the disposal program of these placements as per the “Evergreen contract”. This suspension period is temporary, and should last around four weeks, during which H2O will actively manage the portfolios.

## **Commission de Surveillance du Secteur Financier (CSSF)**

### **25 August 2020: CSSF publishes information on global situation of undertakings for collective investment at end of July 2020**

The Commission de Surveillance du Secteur Financier (CSSF) [released information](#) on the global situation of undertakings for collective investment at the end of July 2020. According to the CSSF, as at the 31 July 2020, the total net assets of undertakings for collective investment, comprising UCIs subject to the 2010 Law, specialised investment funds and SICARs, amounted to EUR 4,617.395 billion compared to EUR 4,585.196 billion as at 30 June 2020, i.e. an increase of 0.70% over one month. Over the last twelve months, the volume of net assets rose by 2.96%. The Luxembourg UCI industry thus registered a positive variation amounting to EUR 32.199 billion in July. This increase represents the sum of positive net capital investments of EUR 30.718 billion (+0.67%) and of the positive development of financial markets amounting to EUR 1.481 billion (+0.03%).

## **24 – 28 August 2020: Speeches, Letters & Other Publications**

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

- [CSSF Regulation No 20-05](#) – Amending CSSF Regulation No 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing
- [Circular CSSF 20/750](#) – Requirements regarding information and communication technology (ICT) and security risk management
- [CSSF communication related to the EBA opinion on obstacles under Article 32\(3\) of the RTS on SCA and CSC](#)

## **Financial Stability Board (FSB)**

### **25 August 2020: FSB publishes Key Attributes Assessment Methodology for insurance sector (insurance KAAM)**

The Financial Stability Board (FSB) [published](#) a Key Attributes Assessment Methodology for the Insurance Sector (“insurance KAAM”). The methodology sets out essential criteria to guide the assessment of the compliance of a jurisdiction’s insurance resolution framework with the FSB’s Key Attributes of Effective Resolution Regimes for Financial Institutions (“Key Attributes”). It was developed in collaboration with experts from FSB jurisdictions, relevant standard-setting bodies, the International Monetary Fund and the World Bank. It is designed to promote consistent assessments across jurisdictions and to provide guidance to jurisdictions when adopting or amending their resolution regimes to implement the Key Attributes.

The Key Attributes constitute an ‘umbrella’ standard for resolution regimes for all types of financial institutions. Implementation of the Key Attributes allows authorities to resolve financial institutions in an orderly manner without taxpayer exposure to loss from solvency support, while maintaining continuity of their vital economic functions. However, not all attributes are equally relevant for all sectors. The Key Attributes Assessment Methodology provides an insurance sector-specific interpretation of individual KAs. It stresses that a jurisdiction’s insurance resolution regime should be proportionate to the size, structure and complexity of the jurisdiction’s insurance system. The FSB also issued a [note](#) explaining the application of the insurance KAAM and the Key Attributes during the period of suspension of the designation of Global Systemically Important Insurers (G-SIIs).

## 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

- [Andrew Bailey says BoE has ample 'firepower' to support UK economy](#)  
"The Bank of England still has ample firepower to fight the coronavirus crisis, governor Andrew Bailey said on Friday, arguing that the £200bn bond-buying operation the central bank unleashed in March had shown the value of "going big and fast" with quantitative easing"
- [FCA tests investigator's patience with delayed disclosures](#)  
"Liz (as Randell dares address her) has been trying for months to complete a report into the regulator's handling of the London Capital & Finance mini bond scandal, in which investors lost £236m"
- [HSBC goes beyond emissions to expand the 'E' in ESG](#)  
"Its asset management arm is teaming up on a joint venture with Pollination, an ESG specialist, to launch a series of new investment products that focus on so-called "natural capital" investments"
- [New Look seeks to cut rents with switch to turnover-based leases](#)  
"The UK retailer has taken the unusual step of asking landlords to switch 402 of its stores to a turnover-based rent, as part of a new restructuring in which it is also seeking to pay zero rent for three years on 68 stores"
- [Mexican restaurant chain Chilango bought out of administration](#)  
"Mexican restaurant chain Chilango has been bought out of administration, rescuing 130 jobs at the London-focused group that was in the middle of a restructuring process when the pandemic hit"
- [Polymetal doubles dividend as it rides gold price higher](#)  
"The London-listed Russian mining group, which also benefited from falls in the rouble and Kazakh tenge, said on Wednesday it would raise its payout to 40 cents per share"
- [Mark Carney joins Brookfield to launch 'impact investing' fund](#)  
"Mark Carney is joining asset manager Brookfield to launch an "impact investing" fund focused on social and environmental benefits as well as financial returns, in his first big business role since his near seven-year term as Bank of England governor ended in March"
- [French regulator AMF asks H2O to suspend funds](#)  
"The French market regulator has made H2O Asset Management suspend a series of its funds because of their "significant exposure" to illiquid debt, more than a year after the Financial Times first revealed the fund manager's substantial investments linked to controversial financier Lars Windhorst"
- [Germany aims to raise up to €6bn in first green bond sale](#)  
"Germany is expected to sell its first ever green government bond next week, in a deal investors predict will boost the market for debt linked to spending on environmental projects"
- [Germany's economic rebound buoyed by fresh positive signals](#)  
"Germany's economic outlook received a double boost on Tuesday, as business sentiment improved for the fourth consecutive month and the impact of the pandemic on the economy was found to be less severe than first thought"
- [Finnair in first bond sale by European airline since pandemic began](#)  
"Finnair has become the first European airline to sell a bond since the coronavirus pandemic began, paying a double-digit rate of interest to raise higher-risk debt with equity-like features"
- [Credit Suisse reports ex-banker over Africa fraud](#)  
"Credit Suisse said it had reported one of its former bankers to police after uncovering a fraud in the African arm of its wealth management unit earlier this year"

- [Fed's new inflation goal lifts stocks and dents bonds](#)  
"US stocks crept higher and Treasury yields rose on Thursday after Jay Powell, Federal Reserve chair, announced changes designed to give the central bank more flexibility on monetary policy"
- [The Fed's new framework still leaves investors guessing](#)  
"The Federal Reserve's newly revised long-run policy goals announced this week enshrine a now familiar pattern of investment behaviour: a higher tolerance of riskier assets and higher use of leverage among investors seeking some kind of return"
- [Accredited investors: testing, testing](#)  
"On Wednesday, the US Securities & Exchange Commission announced that it was "modernising" the requirements for accredited investors"
- [Two best-performing funds since pandemic are run by Morgan Stanley](#)  
"Two Morgan Stanley mutual funds have navigated the pandemic better than any other US funds, thanks to big bets on some of the year's hottest technology stocks"
- [Blackstone buys Takeda's over-the-counter business for \\$2.3bn](#)  
"Blackstone has paid ¥242bn (\$2.3bn) to buy Takeda Consumer Healthcare in what the US private equity group hopes will spur a series of similar asset sales, ultimately creating a Japanese national champion in over-the-counter medicines"
- [US short-termism on ESG investing will hurt growth](#)  
"US regulators have also shown little interest in providing guidance on which metrics might be most appropriate for companies to disclose"
- [Assets in ESG exchange traded funds and products top \\$100bn](#)  
"Global assets held in exchange traded funds and products invested according to good environmental, social and governance principles surpassed \$100bn last month, according to research by ETFGI, a consultancy"
- [New research muddles case for ESG outperformance](#)  
"The debate over ESG performance is far from settled, and a growing group of dissenters are raising questions over whether or not the pro-ESG studies really show what they claim"
- [Letter: A company is a social organism as well as a financial entity](#)  
"For me (and many business leaders who believe in stakeholder capitalism), a company or corporation is fundamentally not just an economic entity, but a social organism"
- [Letter: Corporations should be accountable for ills they cause society](#)  
"ESG is a limited response to these ills. Yet the real action must come through corporate law reform and regulation of companies for the common good. Stakeholder capitalism aims to change corporate law and practice so that company directors and managers desist from imposing harms on others other than through competition on quality and price"
- [Turmoil creates opportunity for wealthy to invest in green buildings](#)  
"The market upheaval is creating opportunities to invest in environmentally sustainable buildings that will not only potentially make investors feel good but also deliver good financial returns"
- [Pandemic exposes 'severe stress' in commercial property financing](#)  
"Mortgage-backed securities fill a funding gap but as delinquencies rise investors are bracing for losses"
- [Monstrous capital structures are a menace to corporate America](#)  
"Highly leveraged companies like Neiman have stayed alive for years not solely because of cheap and plentiful debt, but because of complex financial engineering"

- [Time for action on America's Darwinian debt struggle](#)  
"Rising corporate debt inequality is a longstanding trend but the coronavirus crisis has exacerbated it and thrown it into painfully sharp relief. Size, far more than creditworthiness, now dictates access to credit"
- [Private equity is a club and the ordinary investor is not invited](#)  
"According to a report from Morgan Stanley, companies have raised more money in private markets than public in the US every year since 2009"
- [Traditional retail faces knockout blow from pandemic](#)  
"The distress experienced by bricks and mortar stores is matched by the acceleration of the move to online shopping, not just in the US but across the world"
- [Carnival: heavy cargo](#)  
"Carnival, the world's biggest cruise company, is burning through \$650m a month in operating expenses"
- [Lex in-depth: why rescue finance will slow recovery for businesses](#)  
"US and UK-listed companies raised unprecedented amounts as pandemic hit, but at what cost"
- [What we learnt from fixed-income ETFs during the Covid sell-off](#)  
"While equity exchange traded funds showed no obvious signs of stress during this year's sell-off, the picture looked vastly different in the bond space"
- ['Divided' investors caught in inflation confusion](#)  
"Investors are worried about deflation. That might sound odd, given that the opposite fear — of rising consumer prices — has grabbed attention and fired up assets such as gold"
- [Turbulent markets upend volatility hedge funds](#)  
"Hedge funds that bet on market volatility have turned out to be some of the biggest losers from the financial turmoil that struck in March"
- [Dividends: weighed down](#)  
"For those investors dependent on a reliable flow of dividends, the outlook is worrying"
- [Leave public debt worries for another day](#)  
"Given the urgency of responding to Covid-19, and the risk of a plunge into mass unemployment if governments stand aside, they are correct to leave worries about public debt for another day"
- [Common sense foundations behind rapid market recovery](#)  
"The hottest finance industry topic is the extraordinary market recovery from the Covid-19 shock, what is causing it, whether it is durable, and what the consequences are"
- [Central bankers face virus hit to global economy at crisis forum](#)  
"For the first time the gathering will be held in a completely virtual format, with none of the backroom banter or views of the Tetons that have come to define Jackson Hole"
- [Fundamentals matter again for emerging market investors](#)  
"EM economies are likely to be hardest hit by the pandemic, but on aggregate, asset prices are close to the levels they held before the panic selling set in"
- [Bondholders need to forgive some African sovereign debt](#)  
"At the same time, the debt service burden of many African sovereigns has been surging. Scarce resources are diverted to interest and principal payments"
- [China strikes debt deals with poor nations under G20 scheme](#)  
"China says it has struck agreements with half of the 20 low-income nations that have requested debt restructurings as part of their efforts to tackle the coronavirus pandemic"

- [Rio cuts executive bonuses over destruction of Aboriginal site](#)  
“Rio Tinto will cut the bonuses of its chief executive and other leaders following an internal review of the miner’s destruction this year of a 46,000-year-old Aboriginal site”
- [Accountability for Rio’s destructive actions should start at top](#)  
“The outrage that has greeted Rio Tinto’s decision to dynamite two 46,000 year old Aboriginal heritage sites throws a question about environmental, social and governance investing into the spotlight: how to enforce the societal norms that investors wish to uphold”
- [Argentina braced for verdict on \\$65bn debt restructure](#)  
“Argentina will learn on Monday whether enough creditors have accepted its offer to restructure \$65bn of foreign debt, as Buenos Aires insisted that the country’s ninth sovereign debt default would be its last”



## Thomson Reuters

- [UPDATE 2-"Go big and fast" - BoE's Bailey says bond-buying best in times of crisis](#)  
"The Bank of England appears to get the most bang for its bond-buying bucks if it goes "big and fast" at times of crisis, its Governor Andrew Bailey said, suggesting the central bank might sell off some of its debt pile in calmer times"
- [Payment holiday parachute might COVID-proof government bonds, top fund says](#)  
"The option of a one-time payment holiday during times of intense crisis might enable countries to pandemic-proof their bonds, a prominent debt fund believes"
- [Global companies raise most funds for the month of August in a decade](#)  
"Companies raised the most funds in global equity and debt markets for the month of August in a decade as homebound bankers spend their summer fixing deals off the back of trillions of dollars of stimulus worldwide to fight the coronavirus pandemic"
- [ECB can wait for data as economy grows in line with projections: policymaker](#)  
"The euro zone economy is growing along the lines the European Central Bank projected in June, so policymakers have time to wait for more hard data, Governing Council member Peter Kazimir said"
- [For all the debt, new Italy or Spain bonds may be hard to find](#)  
"Investors may struggle to find new southern European government bonds for the next two years, as the European Union's support programmes could cover much of the new funding needs of countries worst hit by the pandemic"
- [Belgium sells 1.5 bln euros of 10-year bond at lower negative yield](#)  
"Belgium sold just one bond series at an auction on Monday, with yields deeper into negative territory for its 10-year benchmark"
- [Breakingviews - Norway's \\$1.1 trln fund is a bad toy for hedgies](#)  
"Financial markets are pretty efficient in one way, and quite inefficient in another. Both the ways point to Nicolai Tangen being the wrong person to run Norway's \$1.1 trillion sovereign wealth fund"
- [Airline SAS says more bondholders back recapitalisation plan](#)  
"Swedish-Danish SAS (SAS.ST) said on Wednesday that a growing number of bondholders had indicated they backed the debt to equity conversions needed for the airline to move ahead with recapitalisation plans to see it through the pandemic"
- [What is the Fed's new policy framework, and why does it matter?](#)  
"Here are five things to know about the Federal Reserve's new strategy for achieving stable prices and maximum employment. The landmark policy shift was announced on Thursday"
- [Powell's white-collar world led to Fed pivot for blue-collar jobs](#)  
"But just as former Federal Reserve chair Paul Volcker changed U.S. central banking to fight inflation in service of the larger economy, so Powell, the current Fed chair, has seized the moment to ease up on that battle and, if a new Fed approach works as expected, register economic gains for a broader set of Americans through more jobs and better wages"
- [Levitating stocks unlikely to help Fed's economic equality efforts](#)  
"U.S. Federal Reserve Chair Jerome Powell tried to address economic inequalities in his landmark policy move. Still the Fed holding rates lower-for-longer may support bulging asset prices - which is unlikely to benefit the neediest and could well widen the wealth gap in the near term"
- [Saks owner Hudson's Bay drops financing plan: sources](#)  
"Hudson's Bay Co, the owner of luxury department store Saks Fifth Avenue, has ditched its plan to raise up to \$900 million in debt after prospective investors requested a higher interest rate than the company was willing to pay, people familiar with the matter said"

- [Ex-Nomura trader must face SEC fraud lawsuit over mortgage bond prices](#)  
“A former senior trader at Nomura Holdings Inc must face a lawsuit by the U.S. Securities and Exchange Commission accusing him of lying to customers about bond prices in order to boost profits and his bonus, a federal judge has ruled”
- [Banks in bonus balancing act as economies shrink but markets boom](#)  
“Major international banks may still pay out big bonuses to high flyers this year even as the pandemic saps the global economy, as fears of losing talent to rivals during a trading boom trump worries of a big compensation bill”
- [Safe bet? Sovereign funds rethink once-reliable real estate](#)  
“With prime office blocks lying empty around the world, hotels half-vacant and retailers struggling to stay afloat, the funds are retreating from many of the real estate investments that have long been a mainstay of their strategies”
- [Boom or bust? Welcome to the freewheeling world of crypto lending](#)  
“It sounds like a surefire bet. You lend money to a borrower who puts up collateral that exceeds the size of the loan, and then you earn interest of about 20%. What could possibly go wrong”
- [Global funds once again opt out of stocks, despite rally, Reuters polls show](#)  
“Funds recommended equity holdings be trimmed to the lowest in over four years in August, despite record-breaking gains by world stocks, as the pandemic drags on and new data suggest the nascent economic rebound is stalling, Reuters polls found”
- [S.Korea c.bank to conduct outright purchase of \\$1.3 bln worth t-bonds](#)  
“South Korea’s central bank said on Friday it will conduct outright purchases of treasury bonds worth 1.5 trillion won (\$1.27 billion) to stabilise the bond market”

## **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

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## **Important Information:**

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