

Legal and Regulatory Updates

15/02/2021 – 19/02/2021

Key Highlights

- This Legal & Regulatory Update covers the week commencing **15/02/2021**.
- [FRC](#) publishes new report on virtual and augmented reality in corporate reporting.
- [ESMA](#) calls for fund experts to join consultative stakeholder group.
- [EIOPA](#) defines its supervisory convergence priorities for 2021.
- [ESRB](#) publishes report on financial stability implications of COVID-19 support measures aimed at protecting real economy.
- [CBI](#) gives statement on its system wide supervisory examination of business interruption insurance issues.
- [CSSF](#) publishes its Newsletter No. 241.
- [IOSCO](#) reviews impact of COVID-19 government support measures on credit ratings.
- [Executive Committee of Green and Social Bond Principles](#) publishes new Q&As and other resources for sustainability-linked bonds (SLBs).
- [ICMA](#) publishes sixth edition of its detailed Recommendations for Reporting under SFTR.
- 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)

15 – 19 February 2021: Speeches, Letters & Publications

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

- [Bank of England Weekly Report 17 February 2021](#)
- [Minutes of the Securities Lending Committee meeting February 2021](#)
- [Letter from Victoria Saporta 'Disclosures about IFRS 9 expected credit losses accounting](#) – Letter from Victoria Saporta to chief financial officers requesting an update on progress towards the recommendations of the Taskforce on Disclosures about Expected Credit Losses
- [Virtual Meetings with the PRA's Senior Advisors](#) – Letter to Non-Executive Directors (iNEDs) who participated in the PRA pilot programme of virtual meeting with PRA Senior Advisors, which took place in 2020. This letter contains a summary of the key themes that were raised by iNEDs which covered a number of areas: the effect of the economic downturn on business models; the operational resilience in light of the new working environment; governance and people challenges; climate related financial risk; and other issues
- [An update on the economic outlook](#) – Speech by Gertjan Vlieghe
- [QE as an economic policy tool: what does it do and how should we use it?](#) – Speech by Dave Ramsden
- [Revisiting the New Keynesian policy paradoxes under QE](#) – Staff Working Paper No. 908

Financial Conduct Authority (FCA)

15 – 19 February 2021: Speeches, Letters & Other Publications

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

- [Statement by Mark Steward, FCA Director of Enforcement and Market Oversight, on Woodford Investment Management Ltd and WCM Partners Ltd](#) – the FCA noted the recent comments by Neil Woodford on his future business plans. This statement sets out the FCA's position on specific points on which the FCA has been asked for information

Financial Reporting Council (FRC)

17 February 2021: FRC publishes new report on virtual and augmented reality in corporate reporting

The Financial Reporting Council (FRC) [published a new report on virtual and augmented reality](#) in corporate reporting. The report considers how virtual and augmented reality might be used to expand the scope and audience for corporate reporting. The report includes examples of current practice and highlights some possible future uses.

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European Securities and Markets Authority (ESMA)

15 – 19 February 2021: Speeches, Letters & Other Publications

During the week, the European Securities and Markets Authority (ESMA) released the following speeches, letters and publications that might be of interest to our readers:

- [ESMA calls for fund experts to join consultative stakeholder group](#) – ESMA issued a call for candidates in order to renew the composition of its Consultative Working Group (CWG) which advises ESMA's Investment Management Standing Committee (IMSC). ESMA's work relating to collective investment management covers principally the Directives on Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Fund Managers (AIFMD), as well as the Regulations on Money Market Funds, European Venture Capital Funds (EuVECA), European Social Entrepreneurship Funds (EuSEF) and European Long-term Investment Funds (ELTIFs)
- [ESMA submits IFRS 9 and IAS 20 related questions to IFRS Interpretations Committee](#) – ESMA submitted questions related to the accounting for the third series of the European Central Bank's (ECB) Targeted Longer-Term Refinancing Operations (TLTRO III) to the International Financial Reporting Standards Interpretations Committee (IFRS IC)

European Insurance and Occupational Pensions Authority (EIOPA)

17 February 2021: EIOPA defines its supervisory convergence priorities for 2021

The European Insurance and Occupational Pensions Authority (EIOPA) [published its 2021 Supervisory Convergence Plan](#). In 2021, EIOPA intends to complete the priorities stemming from the previous plan, while allowing for flexibility to continue monitoring and mitigating the impact from the Covid-19 pandemic.

Similar to the previous plan, the priority areas fall within the following building blocks:

- practical implementation of the common supervisory culture and further development of supervisory tools;
- risks to the internal market and the level playing field which may lead to supervisory arbitrage; and
- supervision of emerging risks.

EIOPA also identified three new priorities for 2021 and will take the following actions:

- take step-by-step measures for integrating the environmental, social and governance risks into prudential and conduct supervision;
- address supervisory concerns arising from the recent market development of multi-employer IORP providers; and
- further analyse and identify potential risks to the internal market following the identification of inconsistencies in the way national competent authorities treat reinsurance undertakings with the head office located in third countries.

15 – 19 February 2021: Speeches, Letters & Other Publications

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

- [Business model sustainability and adequate product design identified as new strategic supervisory priorities for national supervisors](#) – EIOPA identified business model sustainability

and adequate product design as two Union-wide strategic supervisory priorities relevant for national competent authorities (NCAs). NCAs will focus their supervisory activities on monitoring the impact of the prolonged low-yield environment as well as of the COVID-19 crisis on the business model sustainability and development of insurers and institutions for occupational retirement provision (IORPs). Furthermore, the NCAs will monitor the impact of the COVID-19 crisis on products and will ensure that product and oversight governance (POG) requirements and other relevant consumer protection and conduct of business related requirements are adequately implemented to address the deficiencies which emerged in the crisis

- [Strengthening society's resilience against global risks](#) – Speech by Gabriel Bernardino, Chairman of EIOPA

European Banking Authority (EBA)

15 – 19 February 2021: Speeches, Letters & Other Publications

During the week, the European Banking Authority (EBA) released the following speeches, letters and publications that might be of interest to our readers:

- [EBA consults on guidance to assess breaches of the large exposure limits](#) – the EBA launched a consultation on the criteria that competent authorities should use to assess a breach of the large exposure limits. The consultation paper also details the criteria to determine the period of time and the measures for institutions to return to compliance with those limits. The consultation runs until 17 May 2021
- [EBA publishes final guidelines on the conditions for the alternative treatment of “tri-party repurchase agreements” for large exposure purposes](#) – the EBA published final guidelines specifying the conditions for the application of the alternative treatment of institutions' exposures related to 'tri-party repurchase agreements' for large exposure purposes. Under the alternative treatment, institutions are allowed to replace the total amount of their exposures to a collateral issuer due to tri-party repurchase agreements facilitated by a tri-party agent, with the full amount of the limits that the institution has instructed the tri-party agent to apply to those exposures
- [EBA publishes final draft technical standards on disclosure of indicators of global systemic importance by G-SIIs](#) – the EBA published its final draft Implementing Technical Standards (ITS) on the disclosure of indicators of global systemically important institutions (G-SIIs). These standards help to identify which banks are GSIIIs and specify the formats and instructions in accordance with which G-SIIs disclose the information required under the Capital Requirements Regulation (CRR) and aim at ensuring consistency of information
- [EBA publishes final draft technical standards on indirect exposures arising from derivatives underlying a debt or equity instrument](#) – the EBA published final draft regulatory technical standards (RTS) specifying how institutions should determine exposures arising from derivative and credit derivative contracts not entered directly into with a client but whose underlying debt or equity instrument was issued by a client. These draft RTS will ensure appropriate levels of consistency through different pieces of the regulatory framework for the calculation of large exposures

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European Central Bank (ECB)

15 – 19 February 2021: 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 supervisory Memoranda of Understanding \(MoU\) on post-Brexit supervisory cooperation with the UK authorities](#) – in line with its new MoU publication policy, the ECB published its MoU on post-Brexit supervisory cooperation with the UK authorities, effective from 1 January 2021. The agreement with the Prudential Regulation Authority and the Financial Conduct Authority is one of more than 20 MoUs that ECB Banking Supervision has concluded with banking and market supervisory authorities in Europe and beyond
- [Summary of responses to the public consultation by the working group on euro risk-free rates on EURIBOR fallback trigger events](#)
- [Summary of responses to the public consultation by the working group on euro risk-free rates on €STR-based EURIBOR fallback rates](#)
- [Consolidated balance sheet of the Eurosystem as at 31 December 2020](#)
- [Financial statements of the ECB for 2020](#)
- [ECB Annual Accounts 2020](#)
- [ECB consolidated banking data for end-September 2020](#)
- [Euro area investment fund statistics: fourth quarter of 2020](#)
- [Euro area financial vehicle corporation statistics: fourth quarter of 2020](#)
- [Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Pedicini, MEP, on fit and proper assessment](#)
- [What does the ECB expect from banks' leaders?](#) – Speech by Edouard Fernandez-Bollo
- [The ECB's policy response to the COVID-19 pandemic](#) – Guest lecture by Isabel Schnabel, Member of the Executive Board of the ECB
- [“We are not out of the woods just yet”](#) – Interview with Kerstin af Jochnick, Member of the Supervisory Board of the ECB
- [Greening monetary policy](#) – Blog post by Frank Elderson, Member of the Executive Board of the ECB
- [Shifts in the portfolio holdings of euro area investors in the midst of COVID-19: looking-through investment funds](#) – Working Paper Series No. 2526
- [On the interaction between monetary and macroprudential policies](#) – Working Paper Series No. 2527

European Systemic Risk Board (ESRB)

16 February 2021: ESRB publishes report on financial stability implications of COVID-19 support measures aimed at protecting real economy

The European Systemic Risk Board (ESRB) [published a report](#) on the financial stability implications of support measures aimed at protecting the real economy from the effects of the coronavirus (COVID-19). The report shows that the fiscal response designed to support the real economy has stabilised lending and that the financial system has continued to function. However, as risks still lie ahead, the report also identifies policy priorities in terms of the design and duration of the fiscal measures, enhanced transparency and reporting, and preparedness for further adverse scenarios. The ESRB report provides the first assessment of the financial stability implications of crisis-related fiscal measures across 31 ESRB member countries.

European Commission (EC)

15 – 19 February 2021: Speeches, Letters & Other Publications

During the week, the European Commission (EC) released the following speeches, announcements and publications that might be of interest to our readers:

- [Commission sets course for an open, sustainable and assertive EU trade policy](#) – the EC set out its trade strategy for the coming years. Reflecting the concept of open strategic autonomy, it builds on the EU's openness to contribute to the economic recovery through support for the green and digital transformations, as well as a renewed focus on strengthening multilateralism and reforming global trade rules to ensure that they are fair and sustainable. Where necessary, the EU will take a more assertive stance in defending its interests and values, including through new tools
- [Commission clears acquisition of Varian by Siemens Healthineers, subject to conditions](#) – the EC approved the proposed acquisition of Varian Medical Systems by Siemens AG, through its subsidiary Siemens Healthineers. The approval is conditional on full compliance with the commitments offered by Siemens to ensure the interoperability of the companies' medical imaging and radiotherapy solutions with third-party solutions
- [LIFE Programme: EU invests €121 million in environment, nature and climate action projects](#) – the EC announced an investment of €121 million for new integrated projects under the LIFE programme for the Environment and Climate Action. This funding – increased by 20% compared to last year – will promote the green recovery and help Belgium, Germany, Ireland, France, Hungary, Italy, Latvia, the Netherlands, Poland, Portugal and Slovakia to reach their green targets

Central Bank of Ireland (CBI)

15 – 19 February 2021: Speeches, Letters & Other Publications

During the week, the Central Bank of Ireland (CBI) released the following speeches, announcements and publications that might be of interest to our readers:

- [CBI gives statement on its system wide supervisory examination of business interruption insurance issues](#) – following the judgement from the High Court on business interruption claims, the CBI has contacted insurers to reaffirm its expectations in relation to insurers' fair treatment of customers, setting out its expectations that firms take a proactive and speedy approach in communicating with affected customers and resolving relevant claims
- [“Leading through the pandemic”](#) – Speech by Governor Gabriel Makhlouf
- [“Governance and risk in a time of uncertainty and change”](#) – Speech by Deputy Governor Ed Sibley
- [“Macroprudential Policy: Lessons in the Pandemic Era”](#) – Remarks by Deputy Governor Sharon Donnery

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Autorité des Marchés Financiers (AMF) of France

15 – 19 February 2021: Speeches, Letters & Other Publications

During the week, the Autorité des Marchés Financiers (AMF) released the following speeches, announcements and publications that might be of interest to our readers:

- [AMF publishes a summary of its short thematic inspections on liquidity contracts](#) – the AMF carried out a series of inspections at five firms to analyse how they have implemented liquidity contracts on behalf of listed companies as part of the AMF's accepted market practice. Its investigations highlighted many good practices together with some poor practices and shortcomings

Commission de Surveillance du Secteur Financier (CSSF)

15 – 19 February 2021: Speeches, Letters & Other Publications

During the week, the Commission de Surveillance du Secteur Financier (CSSF) released the following circulars, speeches, letters and publications that might be of interest to our readers:

- [CSSF publishes its Newsletter No. 241](#) – discover the latest publications of the CSSF and the statistics relating to the financial sector
- [Marco Zwick on the pandemic's impact on the asset management industry](#) – Interview with Marco Zwick, director at the CSSF, on the pandemic's impact on liquidity management and stress testing, with a particular emphasis on how money-market funds were able to respond during periods of volatility. Marco also outlined how liquidity will likely sit alongside ESG as a key consideration for any future reviews of the Ucits framework
- [Claude Marx, the views of the regulator](#) – Interview with Claude Marx, Director general of the CSSF, addressing the challenges of financial regulation, the issue of Brexit, the future of AIFMD, as well as the issues of sustainable finance and financial education
- [CSSF publishes its general findings and observations of its thematic review of more than 70 Luxembourg banks and investment firms in relation to their systems and procedures to detect and notify orders and transactions in financial instruments that could constitute market abuse](#)
- [Webinar dedicated to Circular CSSF 12/552 as amended](#) – Webinar
- [FAQ of the ABBL webinar dedicated to Circular CSSF 12/552 as amended](#)

International Organization of Securities Commissions (IOSCO)

15 February 2021: IOSCO reviews impact of COVID-19 government support measures on credit ratings

The Board of the International Organization of Securities Commissions (IOSCO) [published a report](#) analysing the observed impact of COVID-19-related government support measures (GSM) on the credit ratings of the three largest credit rating agencies – Fitch, Moody's and Standard & Poor's (collectively the "CRAs"). IOSCO's report provides a summary of the observed impact of GSMs on credit ratings and credit ratings methodologies through a review of any changes made to the methodologies, their

application to rating actions taken during the timeframe of the pandemic, as well as implications of the withdrawal of GSMs on credit ratings and methodologies. The report does so across four main asset categories:

- Sovereigns
- Financial Institutions
- Non-Financial Corporates
- Structured finance

In terms of outcomes, IOSCO observed no material changes to CRA methodologies and that rating disclosures typically explain the impact of the GSMs where such impact was material to the rating decision. In addition, the report notes that CRAs considered the impact of the pandemic and the economic shock in their credit ratings. The report also suggests that GSMs played a significant role in alleviating the downward pressure on credit ratings. However, according to CRAs, the long-term effectiveness of GSMs cannot be fully assessed and measured at this stage. Furthermore, the forward-looking assumption made by CRAs is that the GSMs will continue until the economic environment is stable enough to allow for gradual withdrawal. Therefore, the risk of premature withdrawal of GSMs, especially in emerging market economies, is one of the downside risks to the global economic recovery post-pandemic. The report concludes that, as the after-effects of the COVID-19 health crisis continues to unfold into 2021, it remains important to continue to consider the effects of the GSMs across credit ratings and credit rating methodologies.

International Capital Market Association (ICMA)

17 February 2021: Executive Committee of Green and Social Bond Principles publishes new Q&As and other resources for sustainability-linked bonds (SLBs)

The Executive Committee of the Green and Social Bond Principles [published new Q&As](#) for sustainability-linked bonds (SLBs). These are designed to promote understanding of this important new financial instrument and its place in an issuer's overall sustainability strategy, as well as encourage development in this rapidly evolving new market. The Q&As support the Sustainability-Linked Bond Principles published by the Green & Social Bond Principles in June 2020 and now available in 21 languages.

Additionally, the [Guidelines for External Reviews](#) have been updated to include sustainability-linked bonds. The new provisions in the Guidelines are the result of a collaboration between the SLB working group and the external reviewers consulted prior to the publication of this update who have also voluntarily confirmed their alignment with these recommendations.

Finally, to complete the range of resources designed to enable the SLB market's growth and promote its transparency, [two forms](#) are now available online, the Market Information Template and External Review Form. These forms, based on the same model as those available for green, social and sustainability bonds, allow on the one hand the issuer to confirm that its bond is aligned with the SLBP and on the other hand, the external reviewer to confirm the scope of its review. It should be highlighted that the Market Information Template contains a section allowing the issuer to evidence the compliance of its SLB with the eligibility

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requirements of the European Central Bank for its asset purchases and collateral programmes. SLB issuers and reviewers are invited to complete the forms which will be made publicly available on the [ICMA Sustainable Bonds Database](#), which now tracks SLB issuances.

17 February 2021: ICMA publishes sixth edition of its detailed Recommendations for Reporting under SFTR

The International Capital Market Association (ICMA) European Repo and Collateral Council (ERCC) [released](#) the sixth edition of the detailed ICMA Recommendations for Reporting under SFTR. Compared to the previous version published on 29 October 2020, the updated edition of the guide reflects the end of the Brexit transition period on 31 December and the resulting split of SFTR into an EU and a UK version, which the recommendations

continue to cover both. The new version also incorporates further guidance released by both ESMA and the FCA, in particular ESMA's Q&As. A number of sections have been substantially revised as a result, including the guidance around the reporting of settlement fails (see e.g. section 9.16 of the Guide).

To allow for an easier comparison, ICMA published a blackline version alongside the guide itself, which shows all the changes that have been made since the last publication in late October. The SFTR Recommendations will continue to evolve to reflect ongoing discussions within the ERCC's SFTR Task Force as well as any further official guidance published by regulators.

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In the News

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

Financial Times

- [Riskiest borrowers make up biggest share of junk-bond deals since 2007](#)
“The riskiest borrowers in corporate America are making up their largest share of junk-bond sales since 2007 as yield-starved investors hunt for returns and bet on an economic recovery. More than 15 cents of every dollar raised in the US high-yield bond market has been sold by groups with ratings of triple C or below since the start 2021, a Financial Times analysis of Refinitiv data shows. That marks the highest share of deals in any year since the eve of the financial crisis, when loose lending standards set off a race by weaker companies to borrow cash”
- [The dangers of today’s low-yielding, high-yield market](#)
“This week, the average yield across so-called high-yield bonds in the US fell towards 3.9 per cent. That’s only marginally above what Johnson & Johnson — one of only two pristine, triple-A rated companies left globally — paid as an annual coupon in a 10-year bond in 2011. It wasn’t considered a high yield then. Microsoft — the only other company to hold the triple-A title still — raised 10-year money in 2013 at a coupon of 3.63 per cent. That wasn’t high yield either”
- [Covid-19 forces electronic shift in bond markets](#)
“The regime shift is affecting even the most staid corners of the market. Bank of America saw a 67 per cent increase in the amount of high-yield bonds it traded electronically between 2019 and 2020. The market has traditionally operated over the phone, because of bonds’ lower trading frequency and their weaker credit quality, which makes them harder to price. Both MarketAxess and Tradeweb set record average daily trading volumes for high-yield bonds in January”
- [BlackRock gives companies detailed climate targets](#)
“In a paper published today, its stewardship group explained more explicitly what it expects companies to do in regard to climate risk — and the potential consequences if those expectations are not met”
- [UK to fund £10m green finance research centre](#)
“The global rush for credible detailed information on climate financial risk has prompted the UK government to fund a new £10m green finance research centre ahead of the UN climate summit to be held in Glasgow this year. The joint initiative with the University of Oxford and other institutions aims to develop granular, publicly available data that could allow financial institutions and investors to identify a company’s most at-risk assets, or spot deforestation in supply chains”
- [Renewable energy: green bubble trouble](#)
“Forget Wall Street mania over chatroom stocks. The big money is flooding into ESG plays such as clean energy. Are these a bubble too? Patrick Pouyanné chief executive of French oil producer Total, thinks so. Valuations for renewable energy assets are crazy, he told the Financial Times”
- [‘Red flags’ over market abuse rise at asset managers during lockdowns](#)
“Possible market abuse in fund management firms accelerated globally after staff first worked from home last year and have not fully fallen back since, according to data from TradingHub, a monitoring group”
- [Barclays restarts dividend despite drop in profits](#)
“Barclays’ quarterly net profit fell to £220m from £681m a year earlier, ahead of analysts’ expectations of a £17m loss. The London-based lender said it would restart dividends and buy back £700m of shares after a Bank of England ban on shareholder payouts was partially lifted late last year”
- [Private equity firms eye UK stock market for cheaper deals](#)
“As money has flowed into private equity funds, the valuations that companies command has jumped, with the average purchase price for US leveraged buyouts hitting a record high of 13 times earnings in the first nine months of 2020, according to figures”
- [City regulator under fire from UK parliament over Woodford probe](#)
“The UK’s financial watchdog is facing urgent calls by a senior parliamentarian to set out when it will conclude its long-running investigation into the implosion of Neil Woodford’s investment company, as anger grows over the disgraced stockpicker’s plans to launch a new asset management business”
- [Consultants rewrite the recipe for Covid-hit restaurant chains](#)
“Advisers and consultancies combine to shape crisis rescue bids and radical rethinks for the future”

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- [Mitchells & Butlers' cash call leaves small shareholders with a hangover](#)
“The path taken has established M&B as a semi-private company that should be off limits for any investor who claims to care about representation and corporate governance standards. Its minority shareholders ought to back the deeply discounted cash call, if they can, then exit as soon as possible afterwards”
- [Centrica chief vows to 'strip out the rubbish' to revive group's fortunes](#)
“Centrica is talking to the government about how to finance a conversion of Britain's biggest gas storage site to hydrogen, as its new chief executive faces pressure to prove the company will profit from the transition to cleaner energy”
- [Arcadia pension schemes look to avoid bailout](#)
“Arcadia's pension schemes look increasingly likely to avoid rescue by the UK's Pension Protection Fund, after most of the insolvent fashion group's brands were sold and with further proceeds expected from property sales”
- [Jaguar Land Rover lays out electric plans in radical overhaul](#)
“In the biggest overhaul of Britain's largest automotive business in a decade, the company will from 2026 phase out the diesel technology that once dominated its fleet and by 2025 shift its historic Jaguar nameplate famed for noisy sports cars to an electric-only brand”
- [Investing in Europe — new opportunities on the old continent](#)
“Despite its sometimes sclerotic image, the region has youthful drive, especially in green industries”
- [ECB set to disappoint campaigners on climate change](#)
“The European Central Bank is likely to adopt a less aggressive approach to tackling climate change than many campaigners want. It will rely mostly on improved financial modelling and disclosure rather than green asset purchases, according to several top policymakers”
- [ESG demand prompts more than 250 European funds to change tack](#)
“Rising demand for sustainable investment prompted managers to change the strategy or investment profile of 253 European funds in 2020, helping to push regional assets invested in funds with an environmental, social or governance tilt to a record €1.1tn by the end of December”
- [Carbon price boom is a vote of confidence and warning for EU](#)
“The cost of emitting CO2 in the EU has hit record highs this month — surprising policymakers and bringing renewed attention to Europe's carbon trading system in a year of planned major reforms”
- [ECB vows to stick to stimulus despite recent rise in inflation](#)
“European Central Bank policymakers committed to keep a steady hand on stimulus measures, according to the minutes of their meeting last month, when they promised to disregard any short-term jumps in inflation or nominal interest rates”
- [EU faces brutal choices over coronavirus corporate rescue money](#)
“That life support cannot be kept in place indefinitely. And deciding how and when to pare it back could prove to be a lot more complicated — and politically explosive — than implementing it in the first place”
- [ECB squashes Deutsche Bank plans to raise bonus pool by a third](#)
“The European Central Bank has shot down Deutsche Bank's plans to increase its bonus pool by more than a third after Germany's largest lender reported a small profit for the first time in six years”
- [Top Deutsche banker wooed clients for Wirecard months before collapse](#)
“The disclosure that a senior Deutsche executive was helping Wirecard with potential Asian clients not long before its demise comes as the scandal continues to reverberate across Germany's political and business establishment”
- [BaFin pushes Greensill Bank to reduce its exposure to Sanjeev Gupta](#)
“BaFin is conducting an audit into the bank's books due to concerns around the level of risk connected to a single client, the people said. The options for Greensill Capital include disposing of the Gupta-linked debt or injecting more capital into the banking subsidiary, the people added”
- [Thyssenkrupp ends talks with Gupta's Liberty over steel unit](#)
“Thyssenkrupp has broken off talks with British tycoon Sanjeev Gupta's Liberty over the sale of the German group's steel unit, saying the parties were far apart in their plans for the beleaguered business”
- [Surge in ESG queries spurs ETF hiring spree at DWS](#)
“DWS is hiring salespeople in Switzerland, the UK, the Nordics and France to help support the growth of its exchange traded fund business, and respond to a surge in queries about environmental, social and governance issues”

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- [Litigation and writedowns push Credit Suisse to fourth-quarter loss](#)
“Credit Suisse swung to a fourth-quarter loss of SFr353m (\$393m) as coronavirus-related credit writedowns and provisions for litigation eroded modest gains in underlying performance at the bank. Write-offs related to underperforming loans and defaults tripled to SFr1.1bn, almost four times higher than the average level over the previous 11 years, the bank said”
- [Nestlé sales rise on petcare and vitamins boom during pandemic](#)
“While Nestlé has not enjoyed an acceleration in sales to match rival Kraft Heinz, which last week reported 6.3 per cent sales growth — calculated on an organic basis, which strips out the effects of acquisitions and divestitures — the Swiss group far exceeded the 1.9 per cent reported by Unilever”
- [Air France-KLM warns of deeper pain as fresh aid set to finally land](#)
“Struggling airline Air France-KLM warned there was more pain to come — but is poised to seal another volley of state aid after recording a €7.1bn net loss in 2020 owing to the Covid-19 pandemic”
- [European bankers set sights on Amsterdam as regional Spac capital](#)
“Amsterdam is emerging as Europe’s centre for blank-cheque companies as investors race to emulate the boom in listings that has gripped US markets”
- [Private equity group buys into UK’s vaccine rollout success](#)
“The CVC deal is relatively small in financial terms, valuing the companies together at significantly less than £500m, according to people familiar with the matter. But the buyout group hopes the businesses will grow quickly through international sales of the technology that has played a role in one of the world’s fastest coronavirus vaccination programmes, the people said”
- [Big pension fund bets UK still a draw for overseas students](#)
“The Dutch investor is putting up about 75 per cent of the cash in a £500m joint venture with Scape, a developer and operator of student accommodation, which will lead to the roll out of more housing in London, Manchester, Birmingham and Leeds”
- [Danone shake-up demanded by big shareholder](#)
“A large shareholder in French consumer goods group Danone has urged its directors to oust chairman and chief executive Emmanuel Faber, halt a planned group reorganisation that he has championed, and sell underperforming brands that account for 15 per cent of revenue”
- [Renault warns of tough year ahead after €8bn loss in 2020](#)
“Renault suffered a record €8bn loss in 2020 and has warned of a difficult year ahead because of sluggish demand and a global microchip shortage that has rocked the industry”
- [Spain sets out priorities for spending €140bn in EU recovery funds](#)
“A top Spanish official has set out ambitious plans to use the country’s €140bn in EU coronavirus recovery funds to transform its economy, revitalise the small business sector and boost demand, despite domestic criticism of the government’s management of the programme”
- [Federal Reserve zeroes in on climate risk](#)
“The change in tone is not just coming from the Fed, either. John Coates, the newly appointed acting director of corporation finance at the Securities and Exchange Commission, also spoke at the IIF event and made it clear that climate denialism is not on the agency’s agenda”
- [Call for SEC to regulate index providers as investment advisers](#)
“Index providers, such as S&P Global, MSCI, FTSE Russell and Bloomberg, calculate widely used benchmarks for stocks, bonds and other securities, but these companies are not regulated by the Securities and Exchange Commission”
- [Citigroup loses bid to recover \\$500m sent to funds by mistake](#)
“A US judge has dealt a blow to Citigroup’s efforts to recover hundreds of millions of dollars mistakenly sent to a group of asset managers, ruling the recipients are allowed to keep the erroneous payments”
- [‘Green bubble’ warnings grow as money pours into renewable stocks](#)
“As the enthusiasm for climate-friendly investing hits fever pitch, analysts warn that investors are pumping cash into anything that looks green — sending valuations of eco-friendly companies into the stratosphere and fanning fears of a bubble”
- [Ariel and JPMorgan to invest in minority-owned companies](#)
“Ariel Investments, the asset manager founded by value investor John Rogers, is joining JPMorgan Chase in a strategic initiative aimed at turning minority-owned businesses into multibillion-dollar companies. The fund will be the first for a private equity arm being launched by the asset manager, called Ariel Alternatives. Acting as a co-investor, JPMorgan is making a funding commitment of \$200m”

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- [‘Green steel’: the race to clean up one of the world’s dirtiest industries](#)
“As climate change rises up the global political agenda and many governments commit to ambitious environmental targets, a race against time is on to develop low-carbon versions of this strong and versatile material”
- [US ETF investors mainly motivated by tax loophole, study shows](#)
“A shift in US investor flows away from mutual funds towards exchange traded funds is being driven primarily by a tax loophole, rather than any inherent advantage of the ETF structure, a team of academics has concluded. In the past decade, US investors have pulled \$1tn from actively managed US mutual funds, with a similar amount flowing into ETFs”
- [Singapore makes pitch as Asia bond hub with Euroclear tie-up](#)
“Singapore’s bourse will set up a distribution link with one of the world’s largest securities depositories in an attempt to lure global investors to its bond market, as its core equities business comes under pressure from regional rivals”

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Thomson Reuters

- [Family-owned firms lag on setting ESG priorities - PwC survey](#)
“Family-owned businesses are falling behind on setting environmental and social standards, with just over a third having set a sustainability strategy, a survey published by PwC on Tuesday found. While family-owned companies - particularly in Europe and the United States - looked to charitable giving and helping employees during the COVID-19 pandemic, most put sustainability on the back burner, the consulting firm’s survey of 2,801 family business owners showed”
- [SEC’s Coates says agency should help create ESG disclosure system](#)
“A new U.S. Securities and Exchange Commission official said the agency should help lead the creation of a disclosure system for environmental, social and governance (ESG) issues for corporations”
- [Asset manager Amundi to seek climate specifics from companies](#)
“Amundi, Europe’s biggest asset manager, said on Thursday it would seek more specifics from companies at upcoming shareholder meetings about their plans to reduce emissions. The move is the latest by a major asset manager to challenge companies over their plans to transition to a low-carbon economy, ahead of the next round of global climate talks this year when countries are set to debate tougher targets”
- [Exclusive: Norway wealth fund tells firms: put more women on your boards](#)
“Norway’s \$1.3 trillion sovereign wealth fund, the world’s largest, wants the companies it invests in globally to boost the number of women on their boards and to consider setting targets if fewer than 30% of their directors are female, top fund officials told Reuters”
- [UK might need negative rates if recovery disappoints - BoE’s Vlieghe](#)
“The Bank of England might need to cut interest rates below zero later this year or in 2022 if a recovery in the economy disappoints, especially if there is persistent unemployment, policymaker Gertjan Vlieghe said”
- [Negative rates may be BoE’s best tool in future: Saunders](#)
“Bank of England policymaker Michael Saunders said negative interest rates may soon be the best tool for the BoE, and raised the prospect of unemployment taking a long time to return to pre-pandemic levels”
- [Bond-buying remains BoE’s stimulus weapon of choice - Ramsden](#)
“Bank of England Deputy Governor Dave Ramsden said the central bank’s nearly 900 billion-pound bond-buying programme remained its most immediate stimulus option, and discussion of negative interest rates represented contingency planning”
- [UK economy shows signs of stabilisation after new lockdown hit](#)
“Britain’s economy has stabilised after a new COVID-19 lockdown last month hit retailers, and business and consumers are hopeful the vaccination campaign will spur a recovery, data showed
- [Billions of pounds in the red, UK budget to have greenish hue](#)
“British finance minister Rishi Sunak’s annual budget on March 3 is set to have a green tinge, even as the country goes hundreds of billions of pounds into the red to fund its response to the coronavirus pandemic”
- [Britain must include travel in lockdown easing roadmap - airlines](#)
“Airlines UK, the industry body, called for a phased re-opening of UK borders, with increasing levels of vaccinations and lower infection and hospitalisation rates paving the way for restrictions to be gradually lifted”
- [Ryanair loses legal fight against French, Swedish airline state aid](#)
“Ryanair on Wednesday lost its fight against the state aid granted to rivals including Air France and Sweden’s SAS after a top European court said such schemes were not discriminatory amid the COVID-19 pandemic”
- [Euro zone eyes March-May decisions on post-COVID econ support tapering](#)
“Finance ministers of the 19 countries sharing the euro discussed the European Commission’s forecasts showing the euro zone would rebound less than expected this year, and they decided to keep all measures intact for now”
- [ECB faces tricky balancing act after pandemic debt surge](#)
“As the euro zone begins to emerge from the depths of a pandemic-induced recession, the European Central Bank is facing a difficult balancing act between supporting indebted governments and keeping creditors onside”
- [Scenario of 1.4 trillion euros in NPL’s in Europe after pandemic less likely: ECB’s McCaul to paper](#)
“The European Central Bank’s worst-case scenario of non-performing loans at EU banks reaching 1.4 trillion euros (\$1.70 trillion) at the end of pandemic is less likely to occur, a member of its Single Supervisory Board told II Sole 24 Ore”

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- [Analysis: Europe braces for pandemic reality to hit banks](#)
“Unpaid debt from pandemic-stricken borrowers has ravaged profits at Europe’s big banks and kick-started a debate among politicians about whether they may ultimately need state help”
- [Fed up with loans, COVID-hit Spanish restaurants seek direct aid](#)
“The hospitality sector is complaining that, while other countries have helped small businesses with measures such as a valued-added tax cut for the catering industry in Germany or a reduction in social security charges in France, Spain has mainly provided state-backed loans”
- [Fed sees ‘considerable’ risk of ongoing U.S. business failures](#)
“The risks of ongoing business failures in the United States remain considerable even as the economy emerges from the coronavirus pandemic, the Federal Reserve said on Friday in its semi-annual monetary policy report to Congress”
- [COVID response drives \\$24 trillion surge in global debt: IIF](#)
“The COVID pandemic has added \$24 trillion to the global debt mountain over the last year a new study has shown, leaving it at a record \$281 trillion and the worldwide debt-to-GDP ratio at over 355%”

Regulators and Associations Monitored

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

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