European Leveraged Finance Association

BRIEFINGS

LEGAL & REGULATORY

12 August 2021

Legal and Regulatory Updates

02/08/2021 – 06/08/2021

Key Highlights

- This Legal & Regulatory Update covers the week commencing **02/08/2021**.
- PRA publishes Regulatory Digest - July 2021.
- BoE publishes Monetary Policy Summary and minutes of the Monetary Policy Committee meeting.
- FCA writes letter to Firms' Remuneration Committee Chairs setting its expectation to see more firms using non-financial measures in scorecards to support ESG factors.
- FCA launches Third consultation on new prudential regime for UK investment firms.
- FRC publishes summary document from its recent Culture Conference.
- ESMA publishes latest edition of its newsletter.
- ESMA publishes its report on the use of FinTech by CSD.
- EIOPA publishes its Risk Dashboard based on the first quarter of 2021 Solvency II data.
- European Commission's Platform on Sustainable Finance publishes a draft report on preliminary recommendations for technical screening criteria for the EU taxonomy.
- In this update, we also cover some of the most important news on leveraged finance published by the Financial Times during the week.

Bank of England (BoE)

02 August 2021: PRA publishes Regulatory Digest – July 2021

The Prudential Regulation Authority published its Regulatory Digest July 2021. The PRA Regulatory Digest is for people working in the UK financial services industry and highlights key regulatory news and publications delivered for the month.

05 August 2021: BoE publishes Monetary Policy Summary and minutes of the Monetary Policy Committee meeting

The Bank of England (BoE) published its Monetary Policy Summary and minutes of the Monetary Policy Committee (MPC) meeting. The MPC voted unanimously to maintain Bank Rate at 0.1%. The Committee voted unanimously for the BoE to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £20 billion. The Committee voted by a majority of 7-1 for the Bank of England to continue with its existing programme of UK government bond purchases, financed by the issuance of central bank reserves, maintaining the target for the stock of these government bond purchases at £875 billion and so the total target stock of asset purchases at £895 billion.

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- Monetary Policy Report August 2021 – the Monetary Policy Report sets out the economic analysis and inflation projections that the Monetary Policy Committee uses to make its interest rate decisions
- Andrew Bailey, Ben Broadbent and Rebecca Maule: Monetary Policy Report National Agency Briefing – Presentation
- Monthly Decision Maker Panel (DMP) data July 2021 – the DMP is a survey of Chief Financial Officers from small, medium and large UK businesses. The BoE use it to monitor developments in the economy and to track businesses' views. In July, businesses estimated that their sales in 2021 Q3 would be 3% lower than they otherwise would have been because of Covid, with investment 6% lower and employment 2% lower
- The transmission of Keynesian supply shocks – Staff Working Paper No. 934

Financial Conduct Authority (FCA)

03 August 2021: FCA writes letter to Remuneration Committee Chairs setting its expectation to see more firms using non-financial measures in scorecards to support ESG factors

The Financial Conduct Authority (FCA) wrote to firms' Remuneration Committee Chairs to set out its remuneration approach for this year. In its letter, the FCA highlights the Chair's crucial role in ensuring that the firm's remuneration policy supports and connects remuneration outcomes to the firm's strategic priorities, purpose and values. During these challenging times, The FCA has observed firms redefining their purpose to support the issues that really matter to them and in the context of Environmental, Social and Governance (ESG) issues, particularly the 'social' element. The FCA expects to see more firms using non-financial measures in scorecards to support ESG factors.

Additionally, the FCA emphasises that Increasing the diversity of workforce and fostering an inclusive environment, where every member of staff is valued for their contributions, is a key element of a healthy culture. The FCA recognises the steps firms have already taken to embed diversity and inclusion but there is much more that needs to be done. The FCA urges Remuneration Committee Chairs to review pay data across all protected characteristics and to act swiftly to address any disparities.

06 August 2021: FCA launches Third consultation on new prudential regime for UK investment firms

The FCA launched its Third consultation on a new prudential regime for UK investment firms. The FCA is asking UK investment firms to provide feedback on the UK Investment Firm Prudential Regime (IFPR). The IFPR will introduce a single, proportionate regime reflecting the size and business of MiFID investment firms regulated by the FCA. It should help to improve competition between firms and simplify matters for new entrants.

In the last of its three consultations, the FCA is asking for views on:

- Disclosure;
- Own funds – excess drawings by partners and members;
- Technical standards;
- Depositaries;
- Changes to the FCA's Handbook to reflect changes to the UK resolution regime;
- Other consequential changes to the FCA's Handbook;
- The FCA's use of new powers introduced under Part 9C of FSMA

The FCA is asking for feedback on this consultation by Friday 17 September 2021. Following this consultation, The FCA will publish a Policy Statement and final rules for the whole regime in autumn 2021.

The first consultation introduced the UK IFPR and focused on the categorisation of investment firms, prudential consolidation, own funds and aspects of own funds requirements, and reporting. The second consultation focused on the remaining aspects of own funds requirements, liquidity, risk management, governance, remuneration, applications and notifications.

The Pensions Regulator (TPR)

02 – 06 August 2021: Speeches, Letters & Other Publications

During the week, The Pensions Regulator released the following speeches, announcements, and publications that might be of interest to our readers:

- Blog: Why trustees do have influence in the shift to UK net zero – the risks and opportunities arising from climate-related change are an area of increasing focus for pension trustees. But what can trustees really do given the scale of the challenge. David Fairs, The Pensions Regulator's Executive Director of Regulatory Policy, Analysis and Advice explains how schemes can and must make a difference in the transition to a net zero economy

Financial Reporting Council (FRC)

06 August 2021: FRC publishes summary document from its recent Culture Conference

The Financial Reporting Council (FRC) published a summary document from its recent Culture Conference, held in June, to explore the link between culture and high-quality audit. The conference, comprised of five virtual sessions with a range of international speakers, and explored the following themes:

- Building an audit firm culture that supports high quality audit;
- The role of the audit committee;
- The importance of a culture of challenge;
- Embedding and measuring organisational culture; and
- Audit firm culture, audit quality and the role of the regulator.

A recording of all five conference sessions is available here. The FRC intends to continue to facilitate insights and exchange learnings about audit firm culture and its role in supporting high quality audit and a resilient audit market. Later this year, the FRC will also be publishing a 'Collection of Perspectives' which will comprise essays from academics, audit firms, regulators, directors and other interested parties. The objective is to highlight the latest thinking from a wide range of stakeholders, identify and share good practice and speed up the pace of change for cultural transformation in the audit profession.

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- Webinar: Have your say on the periodic review of FRS 102 – as part of the next periodic review of UK and Ireland accounting standards, the FRC is seeking views from a wide range of stakeholders about the type of areas they would like to be considered for review. This may include new issues or transactions that should be addressed, or comments or suggestions in relation to the current requirements. In addition to stakeholder feedback, the review will consider recent developments in financial reporting (such as changes in IFRS) and relevant developments in the wider reporting framework. To help inform stakeholders, the FRC will be hosting a short webinar to provide additional information about the review including next steps

European Securities and Markets Authority (ESMA)

02 August 2021: ESMA publishes latest edition of its newsletter

The European Securities and Markets Authority (ESMA) published its latest edition of the Newsletter "Spotlight on Markets". Over the last month, ESMA's published the following key publications:

- The Public Statement on payment for order flow;
- The fine received by DTCC derivatives repository for EMIR data breaches;
- The launch of seven public consultations on CCP recovery regime;
- The MiFID II/MiFIR Annual Review Report on RTS 2;
- The Report on sanctions and measures imposed under MiFID II;
- The Annual Report for the use of sanctions for UCITS;
- the Annual Report on sanctions under AIFMD; and
- The Joint Annual Report on Prospectus Activity and Sanctions.

06 August 2021: ESMA publishes its report on the use of FinTech by CSD

ESMA published its Report on the use of FinTech by Central Securities Depositories (CSDs). ESMA has gathered the views of NCAs and relevant market participants on their experience with and planned future use of FinTech and Distributed-ledger Technology (DLT), as well as on whether the current regulatory framework represents a barrier for them to implement projects involving DLT. The Report contains suggestions in a number of areas in which targeted amendments to the CSDR and further guidance could help CSDs in the deployment of DLT. ESMA's recommendations will inform the European Commission's targeted CSDR review. The Commission is expected to prepare a legislative proposal by the end of 2021.

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- ESMA publishes Guidelines on marketing communications under the Regulation on cross-border distribution of funds – the purpose of these Guidelines is to specify the application of the requirements for marketing communications set out in Article 4(1) of the Regulation. In particular they establish common principles on the identification as such of marketing communications, the description of risks and rewards of purchasing units or shares of an AIF or units of a UCITS in an equally prominent manner, and the fair, clear and not-misleading character of marketing communications, taking into account on-line aspects of such marketing communications
- SMSG issues advice in relation to European Commission's request to EBA, EIOPA and ESMA for technical advice on digital finance and related issues – the Securities and Markets Stakeholders Group welcomes the European Commission's recent legislative proposals for the regulation of the digital finance sphere, including the Digital Finance package of September 2020. and the Digital Markets Act (DMA) of December 2020. The SMSG would like to take the opportunity of the Commission's Request for Advice to the European Supervisory Authorities, and to ESMA in particular, to express stakeholders' views and concerns

European Insurance and Occupational Pensions Authority (EIOPA)

02 August 2021: EIOPA publishes its Risk Dashboard based on the first quarter of 2021 Solvency II data

The European Insurance and Occupational Pensions Authority (EIOPA) published its Risk Dashboard based on the first quarter of 2021 Solvency II data. The results show that insurers' exposures to macro risks remain at high level while all other risk categories remain at medium level. With regards to macro risk, Gross Domestic Product growth and inflation forecasts registered new upward revisions. The 10 years swap rates have slightly increased across currencies in the second quarter of 2021. Financial markets remain broadly stable, amid fiscal and monetary support. Solvency positions for the first quarter of 2021 for all types of undertakings showed an improvement.

Insurance risks remain at medium level, in spite of deterioration of some indicators. The cumulative catastrophe loss ratio and year-on-year premium growth for non-life continued deteriorating. On the other hand, the loss ratio decreased to one of the lowest values and year-on-year premium growth for life reported a slight recovery after the deterioration in the previous quarters. Market perceptions remain at medium level with an increasing trend.

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- EIOPA publishes its annual report on supervisory activities in 2020 – the report highlights activities and achievements from the year, covering both prudential and conduct of business supervision

European Banking Authority (EBA)

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- EBA publishes amended technical standards on resolution planning reporting – the amendments are minimal and aim at re-aligning the standards with the provisions of the Bank Recovery and Resolution Directive (BRRD), following the changes to the minimum requirement for own funds and eligible liabilities (MREL) introduced in the revised BRRD2, as well as to remove some identified obstacles, at the technical level, that hamper compliance with the requirements specified in these ITS
- EBA updates the mapping between the ITS on Pillar 3 disclosures and the ITS on supervisory reporting (v3.0) – published an updated tool, which specifies the mapping between quantitative disclosure data points and the relevant supervisory reporting data points. This tool aims at facilitating institutions' compliance with disclosure requirements and improving the consistency and quality of the information disclosed

European Central Bank (ECB)

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- ECB publishes Euro area securities issues statistics: June 2021 – new issuances of debt securities by euro area residents totalled EUR 778.2 billion in June 2021. Redemptions amounted to EUR 651.8 billion and hence net issues to EUR 126.4 billion. The annual growth rate of outstanding debt securities issued by euro area residents decreased from 5.3% in May 2021 to 4.3% in June
- ECB publishes Euro area bank interest rate statistics: June 2021
- ECB publishes consolidated banking data for end-March 2021
- Shock amplification in an interconnected financial system of banks and investment funds – Working Paper Series
- An overview of the ECB's monetary policy strategy – Published as part of the ECB Economic Bulletin, Issue 5/2021
- Update on economic, financial and monetary developments – Published as part of the ECB Economic Bulletin, Issue 5/2021
- The implications of savings accumulated during the pandemic for the global economic outlook – Published as part of the ECB Economic Bulletin, Issue 5/2021
- The role of government for the non-financial corporate sector during the COVID-19 crisis – Published as part of the ECB Economic Bulletin, Issue 5/2021
- Using machine learning and big data to analyse the business cycle – Published as part of the ECB Economic Bulletin, Issue 5/2021
- The heterogeneous economic impact of the pandemic across euro area countries – Published as part of the ECB Economic Bulletin, Issue 5/2021
- Cross-sectoral dispersion in firms' earnings expectations during the COVID-19 crisis – Published as part of the ECB Economic Bulletin, Issue 5/2021
- Recent developments in pipeline pressures for non-energy industrial goods inflation in the euro area – Published as part of the ECB Economic Bulletin, Issue 5/2021
- ECB communication as a stabilization and coordination device: evidence from ex-ante inflation uncertainty – Working Paper Series

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European Commission

03 August 2021: European Commission's Platform on Sustainable Finance publishes a draft report on preliminary recommendations for technical screening criteria for the EU taxonomy

The Platform on Sustainable Finance published a draft Report on preliminary recommendations for technical screening criteria for the EU taxonomy and is calling for feedback. The draft report prepared by the dedicated Platform subgroup, the Technical Working Group (TWG), is an important step in the Platform's main mandate under the Taxonomy Regulation to advise the Commission on the development of the EU taxonomy, and in particular on the development of technical screening criteria (TSC) for the 6 environmental objectives as set out in the Taxonomy Regulation. It is a working document by the Platform and contains preliminary technical screening criteria that do not represent a final view of the Platform. It is neither an official Commission document nor an official Commission position. Nothing in this document commits the Commission nor does it preclude any policy outcomes.

The draft report focuses primarily on presenting a first set of priority economic activities and draft recommendations for associated substantial contribution and do no significant harm (DNSH) technical screening criteria in relation to the 4 non-climate environmental objectives covering water, circular economy, pollution prevention, and biodiversity & ecosystems. However, a small number of economic activities and corresponding draft recommendations for technical screening criteria related to the climate mitigation and adaptation objectives have also been included.

It is important to note that an activity that is not included in this first batch of activities for the remaining four environmental objectives, for which the Platform will develop recommendations for technical screening criteria, may still be addressed as part of a second batch (Platform work starting after submission of the current batch of criteria). It is likely that the recommendations for additional activities and criteria included in that second batch would be addressed in a later update of the delegated act by the Commission. Thus, non-inclusion by the platform in the first batch of priority activities does not imply that the activity will not be considered for inclusion in the EU taxonomy.

This call for feedback is part of ongoing work by the Platform on sustainable finance, which was set up by the Commission to provide advice on the further development of the EU taxonomy. The purpose of this call for feedback by the Platform is to gather further evidence and feedback on the proposed draft recommendations for technical screening criteria. The draft criteria presented in the report are working documents of the Platform and do not represent a final view of the Platform. They are presented to gather feedback and evidence from a wider set of stakeholders, to improve the draft criteria and make them more robust and usable in view of the final report to be presented to the European Commission in November 2021. This feedback process is not an official Commission consultation. The draft report produced by the Platform is not an official Commission document. Nothing in this feedback process commits the Commission nor does it preclude any policy outcomes. The Platform will welcome stakeholder feedback through the present call for feedback, which runs from 3 August to 24 September 2021.

After considering the stakeholder input, the Platform will submit its report to the Commission in November 2021. The Commission will analyse and consider the recommendations starting in November 2021 in view of the preparations for a delegated act containing activities and associated technical screening criteria for the remaining four environmental objectives and a few additional activities and according criteria for the climate objectives.

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- Commission consults on statutory replacement rate for the EONIA benchmark – EONIA is an interest-rate benchmark used in a variety of contracts and financial instruments. On 3 January 2022, EONIA will be discontinued. This initiative will designate a replacement for EONIA. The replacement rate is calculated using an already updated EONIA methodology that is based on: recommendations by the relevant industry working group the consensus of relevant stakeholders. The designated rate will replace contractual references to EONIA in the EU on 3 January 2022. The feedback period is between 03 August 2021 - 31 August 2021
- Commission consults on statutory replacement rate for Swiss Franc LIBOR (CHF LIBOR)

Central Bank of Ireland (CBI)

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- Transcript of Governor Gabriel Makhlouf's interview with Johanna Treeck, Politico – on the economic outlook, inflation, and growth

Autorité des Marchés Financiers (AMF)

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- AMF amends its General Regulation and updated three policy documents in order to transpose into French law Directive (EU) 2019/1160 of 20 June 2019 on the cross-border distribution of collective investment undertakings (the CBDF Directive) – this Regulation contains in particular (i) provisions concerning the marketing communications of UCITS and AIFs, including with regard to the ex ante verification of said marketing communications, (ii) the obligation for the competent authorities to publish the national provisions on marketing requirements applicable to UCITS and AIFs and the fees and charges that they collect, and (iii) the publication by ESMA of a central database on the cross-border marketing of AIFs and UCITS

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Commission de Surveillance du Secteur Financie (CSSF)

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- CSSF reflects its business continuity in 2020 during COVID-19 – the CSSF was monitoring the development of corporate loans and close supervision was carried out via a specific reporting and dialogue with the industry. The CSSF teams made substantial efforts to support the entities concerned in their preparations for Brexit in view of the end of the transitional period on 31 December 2020. Thus, they provided a framework for the access of providers established in the United Kingdom to the Luxembourg market, determined the equivalence of the British regime in the context of the MiFID II/MiFIR third-country regime and reviewed a certain number of authorisation files received in the context of Brexit. Additionally, the greening of finance is more topical than ever. The CSSF closely monitored the developments at European level, and notably the preparation of the entry into force, on 10 March 2021, of the EU regulation on sustainability-related disclosures in the financial services sector (SFDR), while Level-2 texts and the taxonomy had not yet been published.

International Capital Market Association (ICMA)

02 – 06 August 2021: Speeches, Letters & Other Publications

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

- ICMA, ISDA and ISLA sign MoU on the Common Domain Model, laying the foundations for a digital future for financial markets – ICMA, together with its CDM Steering Committee, has recently concluded the initial phase of its CDM project for repo and bonds, which provides a single, unambiguous representation of the execution, clearing and settlement of a fixed-term repo transaction, as well as a bond transaction
- Podcast: Sustainable sukuk – ICMA's Mushtaq Kapasi speaks with Zalina Shamsudin, General Manager, Capital Markets Malaysia, about green and social sukuk in the context of the global sustainable and Islamic capital markets. The discussion covers how Islamic finance principles interact with conventional sustainable finance, the investor base for green sukuk, and Malaysia's efforts to grow the market and facilitate further positive investment in south-east Asia

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In the News

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

- Why bond funds may be riskier than they seem
  "It is true that one could argue that overweighting corporate bonds, and especially lower-rated ones, is a natural and indeed clever decision by active managers that are paid to deliver greater returns — especially at a time when high-grade government bond markets yield close to or even below zero. But the reality is that this transforms the nature of a bond fund. More risky, volatile junk bonds mean that they move more in tandem with the equity market. That is fine if it is transparently sold as a racier vehicle, but can be a nasty surprise for many investors that buy bond funds as a counterweight in their portfolios"
- US debt investors spooked by Delta variant concerns
  "The additional yield above Treasuries, or spread, demanded by investors for owning riskier high-yield bonds has risen to about 3.5 percentage points, from a low of 3.16 percentage points at the beginning of July, according to data from ICE BofA indices. The increase in risk premiums has been particularly pronounced in the lowest-rated rung of the corporate bond ladder. The triple-C rated bond spread has risen from a low of 5.88 percentage points last month to 6.75 percentage points"
- Risky US loans face pushback from investors spoilt for choice
  "Investors are pushing back at the riskiest US loans, demanding better terms in a sign that fund managers are becoming more picky in a deluge of deals. Most deals are still sailing through the market with rampant demand, while companies refinance old loans at rock-bottom interest rates and private equity groups load up on cheap debt to fund acquisitions. But the average price of new loans in July dipped to 99.22 cents on the dollar from 99.33 cents in June, according to data from S&P Global Market Intelligence, the biggest discount since December"
- The market is overlooking the change in Europe's investment banks
  "Investment-grade markets have grown significantly, but we have also seen higher growth in high yield and traded loans markets. Debt securities are now 25 per cent of the total corporate funding mix in Europe, up from 15 per cent in 2010 — though still far behind the US, at 65 per cent. At the current pace, Europe will get to 30 per cent by 2030, slowly closing the gap"
- Bond investors need to step up on human rights
  "Institutional investors have made big strides in trying to tackle climate change through their investments. They now need to show similar progress on human rights. Pressure from investors has helped drive companies such as Unilever and Spanish airports group Aena to offer shareholders regular votes on efforts to tackle climate change, while institutional investors are pushing big US tech firms to disclose more about environmental risks. But when it comes to human rights, it is a different story. A Financial Times investigation last month showed that fund firms with strong rhetoric about tackling human rights abuses were also lending money to regimes carrying out abuses. Often there was little sign that they were raising these issues when talking to these countries"
- Prime time for sustainable investing reporting is delayed to 2023
  "PRI has run into trouble, telling members in an August 2 message that it won't require them to report on how they measure up to its standards until 2023, rather than next year as planned"
- Business can be a force for change on climate
  "The world is now awash with net-zero targets, 10-point plans and corporate sustainability policies, but is sorely lacking when it comes to delivery. Greenhouse gas emissions continue to rise, and the world is on a path to 3C of warming by the end of the century. This is why many people are rightly sceptical of claims about sustainability or ESG, and are looking for ways to separate organisations that deliver on their promises from those engaged in greenwashing"
- Stakeholders incorporated: Can capitalism change if company charters stay the same?
  "While few large companies used to worry about the nature of their articles of incorporation, interest in stakeholder governance is starting to take hold, including in the public markets"
- Climate campaigners allege central banks aren't doing enough to avoid a 'hothouse world'
  "When the Federal Reserve in December finally joined the Network for Greening the Financial System (NGFS), all systemically important banks worldwide fell under the organisation's climate risk oversight. With the US onboard, the NGFS can command significant influence over the financial industry's role in climate change mitigation. NGFS research is already being used by central banks around the world"
- Climate change: companies must see past trees to blazing forests
  "The onus is on businesses to account as transparently for carbon reduction as they do for profits. Fund management groups must hold them to account. It is no longer enough for companies to cover their environmental responsibilities by publishing a fluffy report once a year, replete with scenic photos and vague metrics"
- Global investor group begins to step up pressure on steel industry
  "An influential institutional investor group with assets of $55tn under management has begun to step up pressure on the steel industry over its failure to make progress on reaching climate change goals. The Climate Action 100+ coalition said steel producers were not on track to meet the 91 per cent cut in carbon emissions needed by 2050 if the world was to reach a net zero goal necessary to curb global warming"

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- [‘Greenflation’ threatens to derail climate change action]
  “New government-directed spending is driving up demand for materials needed to build a cleaner economy. At the same time, tightening regulation is limiting supply by discouraging investment in mines, smelters, or any source that belches carbon. The unintended result is greenflation: rising prices for metals and minerals such as copper, aluminium and lithium that are essential to solar and wind power, electric cars and other renewable technologies”

- Jeff Ubben: Engine No 1 model is ‘not enough to create lasting change’
  “Shareholder resolutions have been around for years. But much like the shareholder voice in the boardroom has changed the game over the past 20 years, we now need the stakeholder voice in the boardroom. That’s Engine No 1’s goal and that is a great goal”

- T Rowe Price incoming chief vows to prioritise impact investing move
  “Sharps plans to prioritise finishing the development of the company’s impact investing framework

- BoE signals ‘modest tightening’ of monetary policy in next 2 years
  “In a hawkish change in the stance of the central bank’s Monetary Policy Committee, a majority of its eight members indicated at their meeting that ended on Thursday that they thought the economic conditions had been met to allow it to start discussing raising interest rates again. With economists now expecting the first rise in UK interest rates next year, the move suggests the BoE will begin to normalise monetary policy faster than the European Central Bank and US Federal Reserve. The bank’s move came in response to its new forecasts showing that inflation was likely to rise to 4 per cent towards the end of this year, compared with a previous forecast of only 2.5 per cent, and there would be excess demand for much of the next year”

- How fast is the UK economy rebounding?
  “Following a contraction at the start of the year, investors will find out this week how quickly the UK bounced back as lockdown restrictions were eased, with the release of second-quarter gross domestic product on Thursday. Crucially, data for June will also provide an early indication of whether the spread of the Delta coronavirus variant has held back the recovery. Economists have pencilled in quarter-on-quarter growth of 4.8 per cent, slightly below the Bank of England’s 5 per cent forecast, following the first quarter’s 1.6 per cent contraction”

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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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