

## Legal and Regulatory Updates

04/10/2021 – 08/10/2021

### Key Highlights

- This Legal & Regulatory Update covers the week commencing **04/10/2021**.
- [BoE](#) publishes Report on the Bank's official market operations 2019–21.
- [BoE](#) publishes Financial Stability Report – October 2021.
- [BoE](#) publishes Systemic Risk Survey Results – 2021 H2.
- [FRC](#) publishes review of Alternative Performance Measures by UK companies.
- [FRC](#) publishes updated 2022 Taxonomies Suite.
- [ESMA](#) publishes its latest edition of its Spotlight on Markets Newsletter.
- [EBA](#) publishes its work programme for 2022.
- [EIOPA](#) outlines its strategic priorities for the coming year.
- [AMF](#) and ECB sign a supervisory cooperation arrangement.
- [IOSCO](#) launches its fifth World Investor Week to promote investor education and protection.
- [FSB](#) and IMF publish the 2021 Progress Report on the G20 Data Gaps Initiative.
- 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)

#### 04 October 2021: BoE publishes Report on the Bank's official market operations 2019–21

The Bank of England (BoE) [published](#) its Report on the Bank's official market operations 2019–21. Following a recommendation by the Bank's Independent Evaluation Office, every three years the Bank publishes an in-depth evaluation of its market operations, allowing for a stocktake of policy developments over a broader time period. This is the first such report. In other years, the Bank publishes a shorter, factual report covering key developments in the facilities and their usage.

The structure of this Report is as follows:

- Section 1 explains the structure and objectives of the Bank's market operations;
- Section 2 summarises Sterling Monetary Framework (SMF) membership growth over the review period;
- Section 3 outlines the Bank's Covid response over 2020;
- Section 4 describes the Bank's monetary policy operations and the key policy debates and developments in this area;
- Section 5 outlines usage of the Bank's liquidity insurance facilities over the review period, and key developments to these operations;
- Section 6 summarises ongoing work to review the Bank's policy toolkit in response to new challenges, this includes evolving market structures, the operational implications of the ELB, climate risks and the development of digital money;
- Section 7 outlines developments in the Bank's communication with participants, market contacts and the general public; and
- Section 8 discusses the Bank's risk management framework and developments in this area over the past three years, including climate-related risks.

#### 08 October 2021: BoE publishes Financial Stability Report – October 2021

The BoE's Financial Policy Committee (FPC) [published](#) its Financial Stability Report – October 2021. The Financial Stability Report sets out the FPC's view on the stability of the UK financial system and what it is doing to remove or reduce any risks to it. According to the report:

- Banks are strong enough to keep supporting UK households and businesses through the recovery from the pandemic;
- Businesses, particularly small firms, have increased their debt levels through the pandemic; and
- there is evidence of heightened risk-taking in some financial markets; for example, there are fewer protections in place when investors lend to companies with high levels of debt in so-called "leveraged loan" markets. And the prices of some financial assets appear high relative to historical norms.

#### 08 October 2021: BoE publishes Systemic Risk Survey Results – 2021 H2

The BoE [published](#) its Systemic Risk Survey Results – 2021 H2. The Systemic Risk Survey is a biannual survey that asks market participants about perceived risks to, and their confidence in, the stability of the UK financial system. The survey is generally completed by executives responsible for firms' risk management or treasury functions. The results presented are based on responses to the survey and do not necessarily reflect the Bank of England's views on risks to the UK financial system.

Participants include UK banks and building societies, large foreign banks, asset managers, hedge funds, insurers, pension funds, large non-financial companies and central counterparties. Summary statistics are calculated by giving equal weight to each survey response.

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In 2021 H2 the key observations are:

- confidence in the stability of the UK financial system over the next three years has increased over the past six months;
- the perceived probabilities of a high-impact event occurring over both the short and medium term has decreased over the same period; and
- cyber-attack risks were the most cited risk to the UK financial system and the most challenging for firms to manage.
- Most participants also cited risks from the current Covid pandemic.

#### 04 October – 08 October 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:

- [National Inclusion Week 2021](#) – A round up of National Inclusion Week (NIW) 2021
- [BoE publishes Quarterly Bulletin 2021 Q3](#) – the Quarterly Bulletin explores topics on monetary and financial stability and includes regular commentary on market developments and UK monetary policy operations
- [Monthly Decision Maker Panel \(DMP\) data September 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 September, businesses estimated that their sales in 2021 Q3 would be 8% lower than they otherwise would have been because of Covid, with investment 11% lower and employment 6% lower
- [Adaptability and resilience in the mutuals sector](#) – Speech by Charlotte Gerken
- [Huw Pill's CV and questionnaire for the Treasury Select Committee](#)
- [PS21/21 | CP14/21- The UK leverage ratio framework](#)

#### Financial Conduct Authority (FCA)

##### 04 October – 08 October 2021: Speeches, Letters & Other Publications

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

- [PS21/12: Assessing value for money in workplace pension schemes and pathway investments: requirements for IGCs and GAAs](#) – these new rules are a step towards a more systematic and transparent framework for assessing VFM in pensions, which will enhance IGCs' ability to compare pension products and drive VFM on behalf of consumers they represent

#### Financial Reporting Council (FRC)

##### 07 October 2021: FRC publishes review of Alternative Performance Measures by UK companies finds room for improvement

The Financial Reporting Council (FRC) [published](#) a review into the use of Alternative Performance Measures (APMs). This review found that companies need to be more transparent about their use, and linkage to their IFRS or UK GAAP results (GAAP results).

The FRC's review found that, while companies generally provided good quality APM disclosures, their context needs to be better explained, particularly as profit-based APMs tended to be more

favourable than their GAAP results. Companies should clearly define their APMs and explain why they are needed, but not give them greater focus than their GAAP equivalents. Relevant GAAP information can also be obscured by high usage of alternative measures; companies are encouraged to consider the number of APMs that they present.

Other aspects of APM reporting the FRC expects companies to improve include:

- providing an even-handed treatment of gains and losses when classifying amounts as adjusting items; ensuring APM reconciliations and calculations are complete and transparent;
- explaining terms used in describing APMs, such as providing 'underlying results' or adjusting for 'non-recurring' items; and
- providing more detailed information about the cash and tax impact of adjusting items, and on the potential impact of adjustments for multi-year restructuring programmes on future results.

#### 08 October 2021: FRC publishes updated 2022 Taxonomies Suite

The FRC [published](#) its updated 2022 Taxonomies Suite. The key changes to the 2022 suite are:

- The SECR taxonomy containing the TCFD disclosures has been incorporated into the main body of the FRC suite, as requested by software houses to facilitate the possibility of incorporating SECR tagging in products for tagging for accounting, so that more entities can be encouraged to take up supplying this information digitally. All items have migrated into the 'direp' (Directors' Report) namespace when imported into the FRC suite.
- The SECR and Task Force on Climate-related Financial Disclosures (TCFD) tags are now found in all the Directors' Report section of the FRC Taxonomies (except for the Irish extensions and UKSEF).
- With a view to embracing the ability to tag more detailed TCFD disclosures, even though they are not mandatory, the SECR Taxonomy has had its TCFD disclosures augmented to reflect expected enhanced disclosures from companies eager to provide information to investors. The original four reporting concepts have been made into headings with the greater detail contained in child tags relating to the headings.

#### European Securities and Markets Authority (ESMA)

##### 05 October 2021: ESMA publishes its latest edition of its Spotlight on Markets Newsletter

The European Securities and Markets Authority (ESMA) [published](#) its latest edition of its Spotlight on Markets Newsletter. This month focuses on their 2022 Annual Work Programme, the enforcement case against trade repository UnaVista Limited, and on Cloud outsourcing and financial stability risks – one of the articles included in the latest Trends, Risks and Vulnerabilities Report.

The key areas for 2022 were set out in the Work Programme and include: the exercise of new, and existing, supervisory powers for benchmarks and data service providers as well as central counterparties; its contribution to the EU priorities on the development of the Capital Markets Union, sustainable finance and innovation; and the convergence of supervisory and regulatory practices across the EU.

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Other publications:

- Letter to the European Commission to delay buy-in rules;
- Consultation on proposals for improvements to the MiFID II framework on best execution reports;
- Consultation on the review of the Short Selling Regulation;
- Opinion on how access to and use of credit ratings; and
- New Q&As.

#### 04 October – 08 October 2021: Speeches, Letters & Other Publications

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

- [ESMA as a data driven regulator and supervisor](#) – Speech by Natasha Cazenave

### European Banking Authority (EBA)

#### 05 October 2021: EBA publishes its work programme for 2022

The European Banking Authority (EBA) [published](#) its annual work programme for 2022, describing the activities and tasks of the Authority as well as its key strategic areas of work for the coming year.

For 2022, the EBA has set five vertical priorities:

- monitoring and updating the prudential framework for supervision and resolution;
- revisiting and strengthening the EU-wide stress-testing framework;
- leveraging the European centralised infrastructure for supervisory data (EUCLID);
- deepening analysis and information-sharing in the areas of digital resilience, fintech and innovation; and
- fighting AML/CFT and contributing to a new EU infrastructure.

Moreover, the EBA has set two horizontal priorities:

- providing tools to measure and manage environmental, social and corporate governance (ESG) risks; and
- monitoring and mitigating the impact of COVID-19.

To foster synergies and efficiency, the overall number of EBA activities was streamlined compared to 2021 and the [EBA organisational structure](#) adjusted as of 1 June 2021. The work programme benefits from input of the EBA's Advisory Committee on Proportionality.

#### 04 October – 08 October 2021: Speeches, Letters & Other Publications

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

- [EBA publishes its Risk Dashboard for the second quarter \(Q2\) of 2021](#) – the Risk Dashboard points to stabilising return on equity in EU Banks but challenges remain for those banks with exposures to the sectors most affected by the pandemic
- [EBA updates risk assessment indicators](#) – this guidance describes how risk indicators are computed in EBA publications and allows competent authorities and users of EBA data to interpret key bank figures in a consistent fashion when conducting their risk assessments and analyses

### European Insurance and Occupational Pensions Authority (EIOPA)

#### 05 October 2021: EIOPA outlines its strategic priorities for the coming year

The European Insurance and Occupational Pensions Authority (EIOPA) has [outlined](#) its strategic priorities for the coming year, under the overarching goal of building a safe and sustainable EU for citizens in times of transformation.

Activities take into account the ongoing effects of COVID-19, the market situation and political priorities, in particular supporting the digital and green recovery. Under the twin objectives of ensuring consumer protection and safeguarding financial stability, EIOPA will pursue six strategic areas:

- Integrating sustainable finance considerations across all areas of work, including promotion of sustainability disclosures and a sustainable conduct of business framework and addressing protection gaps.
- Supporting the market and supervisory community through digital transformation, including the preparation of Regulatory and Implementing Technical Standards from the digital operational resilience act (DORA), and continuous implementation of the cyber underwriting strategy.
- Enhancing the quality and effectiveness of supervision, including the provision of training on Solvency II to national authorities in cooperation with DG REFORM, the definition of Union-wide strategic priorities.
- Ensuring technically sound prudential and conduct of business policy, including follow-up to the Solvency II review and the provision of technical advice on the scheduled review of the IORP II Directive.
- Identifying, assessing, monitoring and reporting on risks to the financial stability and conduct of business and promoting preventative policies and mitigating actions, including the provision of timely and accurate financial stability analyses and risk assessments.
- Providing effective recruitment, management and development of EIOPA's human capital.

#### 04 October – 08 October 2021: Speeches, Letters & Other Publications

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

- [Opinion on the supervision of long-term risk assessment by IORPs providing defined contribution schemes](#) – the main objective of the Opinion is to foster an effective cost supervision across the EU in order to enhance the value for money offered to members and beneficiaries, the cost efficiency of IORPs and the affordability for sponsors
- [Overview of recovery and resolution actions and cross-border issues](#) – the report aims at enhancing supervisory knowledge on the prevention and management of insurance failures, based on the information contained in the EIOPA database, which comprises a sample of 219 affected insurance undertakings in 31 European countries, dating back from 1999 to 2020

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## European Central Bank (ECB)

### 04 October – 08 October 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:

- [Sudden stops and asset purchase programmes in the euro area](#) – Working Paper Series
- [The time-varying evolution of inflation risks](#) – Working Paper Series
- [Unconventional monetary policy, funding expectations and firm decisions](#) – Working Paper Series
- [Central bank communication with non-experts: a road to nowhere?](#) – Working Paper Series
- [Striking a bargain: narrative identification of wage bargaining shocks](#) – Working Paper Series
- [Banks' risk-taking within a banking union](#) – Working Paper Series
- [Monetary Policy Account](#) – the ECB published its Account of the monetary policy meeting of the Governing Council of the European Central Bank held in Frankfurt am Main on 8-9 September 2021
- [ECB publishes supervisory banking statistics for the second quarter of 2021](#)
- [What is behind current inflation spikes?](#) – ECB Podcast
- [Dynamic regions at the heart of a strong Europe](#) – Speech by Christine Lagarde
- [ECB Banking Supervision's post-pandemic priorities – the way forward](#) – Keynote address by Edouard Fernandez-Bollo
- [Prospects for inflation: sneezes and breezes](#) – Welcome address by Isabel Schnabel

## European Commission

### 04 October – 08 October 2021: Speeches, Letters & Other Publications

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

- [Joint Statement on the U.S.-EU Joint Financial Regulatory Forum](#) – EU and U.S. participants in the U.S.-EU Joint Financial Regulatory Forum met virtually on September 29 and 30, 2021, to exchange views on topics of mutual interest as part of their ongoing financial regulatory dialogue. EU participants included representatives of the European Commission, the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Central Bank (ECB), the Single Supervisory Mechanism (SSM), the Single Resolution Board (SRB) and the European Systemic Risk Board (ESRB). The Forum focused on six themes: (1) market developments and current assessment of financial stability risks, (2) sustainable finance, (3) multilateral and bilateral engagement in banking and insurance, (4) regulatory and supervisory cooperation in capital markets, (5) financial innovation, and (6) anti-money laundering and countering the financing of terrorism (AML/CFT)
- [EU and Indo-Pacific leaders commit to enhance cooperation on climate action](#) – European Commission Executive Vice-President for the Green Deal Frans Timmermans today discussed the need for urgent climate action with the leaders of three Pacific states
- [Covered bonds supervision directive](#) – transposition status
- [Capital requirements directive \(CRD V\) – concerning investment firms](#) – transposition status
- [Heavy-duty vehicles](#) – lighter reporting under Implementing Regulation (EU) 2019/1859

- [EU Sustainable Investment Summit](#) – Opening address by President von der Leyen
- [World Mental Health Day](#) – Statement by Commissioner Kyriakides

## Autorité des Marchés Financiers (AMF)

### 04 October 2021: AMF and ECB sign a supervisory cooperation arrangement

The Autorité des Marchés Financiers (AMF) and ECB [signed](#) a Memorandum of Understanding (MoU), on August 26 2021. This MoU will provide a framework for the exchange of information between the two institutions and allow them to complete the information available to each of them, in order to carry out their supervisory role over the firms placed under their common supervision.

Pursuant to Article 3(1) of Council Regulation (EU) No 1024/2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (Single Supervisory Mechanism Regulation - SSMR), the ECB shall enter into memoranda of understanding with competent authorities of Member States responsible for markets in financial instruments.

With the signature of this MoU, the AMF and the ECB recognize the benefits of mutual cooperation on issues of joint interest and wish to ensure proper supervision of financial institutions referred to in the SSMR and the Financial Markets legislation stemming in particular from the directive on markets in financial instruments (MiFID).

With this MoU, both institutions will use their best efforts to provide to each other to the fullest extent possible mutual assistance in the performance of their respective tasks.

### 04 October – 08 October 2021: Speeches, Letters & Other Publications

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

- [AFME's 5th Annual European Compliance and Legal Virtual Conference](#) – Keynote speech by Robert Ophèle

## Central Bank of Ireland (CBI)

### 04 October – 08 October 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:

- [Quarterly Bulletin No.4 2021](#) – as the easing of public health restrictions continues, the rebound in the Irish economy in recent months is expected to be followed by a sustained period of robust growth. Against a broadly favourable international backdrop, domestic consumption, investment and employment are currently growing at a pace at or above what was expected at the time of the last Bulletin. This momentum contributes to an increasingly positive outlook for the economy out to 2023, with domestic activity back to pre-pandemic levels by end-2021, albeit that uncertainty remains high
- ["The Importance of Data: Statistics During the Pandemic and Beyond"](#) – Central Bank webinar

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## International Capital Market Association (ICMA)

### 04 October – 08 October 2021: Speeches, Letters & Other Publications

During the week, the International Capital Market Association (ICMA) released the following speeches, announcements and publications that might be of interest to our readers:

- [ICMA directories list over 200 post-trade and 20 repo trading solutions](#)

## International Organization of Securities Commissions (IOSCO)

### 04 October 2021: IOSCO launches its fifth World Investor Week to promote investor education and protection

The International Organization of Securities Commissions (IOSCO) [launched](#) its fifth annual World Investor Week (WIW), a global campaign supported by securities regulators and IOSCO stakeholders around the world. The G-20 Italian Presidency has endorsed the IOSCO WIW for 2021.

From 4 to 10 October 2021, securities regulators, stock exchanges, global and regional financial organizations and other stakeholders conducted an array of educational activities. The aim was to raise awareness of the importance of investor education and protection in participants' jurisdictions.

### 04 October – 08 October 2021: Speeches, Letters & Other Publications

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

- [Monitoring Group Welcomes the Appointment of Ms. Gabriela Figueiredo Dias as Next IESBA Chair](#) – the Monitoring Group ("MG") is responsible for the overall governance of the international audit and ethics standard-setting system, including periodic effectiveness reviews

## Financial Stability Board (FSB)

### 07 October 2021: FSB and IMF publish the 2021 Progress Report on the G20 Data Gaps Initiative

The Financial Stability Board (FSB) and International Monetary Fund (IMF) today published the Sixth Progress Report - Countdown to December 2021 on the implementation of the Second Phase of the G20 Data Gaps Initiative (DGI-2).

2021 marks the final year of the second phase of the Data Gaps Initiative (DGI-2), and the twelfth year since the G20 Finance Ministers and Central Bank Governors endorsed the twenty recommendations made by IMF staff and the FSB Secretariat to address the data gaps identified during the Global Financial Crisis of 2007-08.

The report highlights that:

- Significant progress has been achieved in closing identified policy-relevant data gaps during phases 1 and 2 of the Data Gaps Initiative.
- The initiative has proved its value during the crisis triggered by the COVID-19 pandemic, helping policymakers to access key information in order to assess developments and risks in the financial and nonfinancial sectors, as well as to analyse interconnectedness and cross-border spillovers.
- The pandemic continues to affect the DGI-2 work program. Given the limited time available, it is very likely that some recommendations will not be fully completed by the end of 2021. In particular, challenges are observed in: securities financing transaction data; institutional sectoral accounts; household distributional information; data on general government debt and operations; and commercial property price indices.
- Nevertheless, participating economies continue to take forward the agreed DGI-2 recommendations, building on the collaboration and peer pressure mechanism. Participating economies and international organisations also recognise the need for a new international cooperation initiative on data gaps after the conclusion of the DGI at the end of 2021.
- Building on the DGI process, the new initiative will focus on priorities of policy makers and avoid duplication with other existing initiatives. Four main statistical and data priorities to be covered by a possible new DGI have been identified: (i) climate change; (ii) household distributional information; (iii) fintech and financial inclusion data; and (iv) access to private sources of data and administrative data, and data sharing. A detailed workplan for the new initiative will be developed.

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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.

- [A third of UK small businesses highly indebted, says Bank of England](#)  
“Leveraged-loan markets were also singled out for concern, with the BoE citing them as an area where global investors were taking “higher levels of risk”. “Risks in leveraged-loan markets globally continue to build,” the BoE said. “There are signs of continued loosening in underwriting standards and increased risk-taking in some investment banking businesses.” The European Central Bank warned last summer that it would take “supervisory actions” against banks that were taking too much risk with leveraged loans.”
- [Investors suffer 60/40 blues as investment mainstay takes a hit](#)  
“An important relationship between equities and government bonds broke down during September and inflicted the largest losses for diversified investment portfolios since the pandemic market rout of last year.”
- [Football clubs call for £1bn Premier League fund to ease finance woes](#)  
“Top English clubs are calling on the Premier League to create a central fund in excess of £1bn to tackle their cash flow problems and shut out lenders that charge steep fees. Club executives with direct knowledge of the discussions said the world’s most valuable domestic football competition has come under pressure to create a new financing facility through raising debt or securing a large credit line.”
- [Advisers say Evergrande failing to engage with investors as default looms](#)  
“Advisers to a group of international investors in Evergrande say the heavily indebted Chinese developer has not meaningfully engaged with them or provided details of potential asset sales despite their requests, as they braced themselves for a looming default.”
- [Why France’s cable billionaire may need to change course to reach the stars](#)  
“The question is whether, in this context of upheaval, the financial engineering Drahi used to consolidate the telecoms and cable industry are right for satellites. Drahi made his reputation through a string of debt-fuelled deals to build Altice, which operates in the US, France, and Portugal. By 2017, the company was carrying debt of €51bn — five times its earnings before interest, tax, depreciation and amortisation — when investor sentiment soured on poor results. Drahi responded by spinning off the US division, restructuring debt, and taking the European arm private.”
- [Tackle greenwashing to boost sustainable investment, says IMF](#)  
“The sustainable investment industry is too small to drive the global transition to a low-carbon economy and to help it grow governments must do more to protect investors from being misled by greenwashing, the IMF said on Monday.”
- [Top financiers due to attend UK green investor summit](#)  
“The bosses of Goldman Sachs, JPMorgan, BlackRock and Blackstone will be among the world’s top financiers attending a green summit that UK ministers want to generate billions of pounds of investment for Britain. More than 200 investors are expected to attend the event this month, which will be hosted by prime minister Boris Johnson and precede the UK convening the UN COP26 climate summit in November.”
- [Passive managers urged to do more to exclude ‘coal laggards’](#)  
“Passive fund houses have been urged to pressure index providers to omit “coal laggards” from mainstream indices to help the transition to net zero. Only 15 per cent of index-tracking and exchange traded fund assets are in products that track indices integrating environmental, social and governance criteria in Europe. This leaves more than €1.9tn assets in European funds that track non-ESG indices, estimates based on Morningstar data suggest.”
- [3 - Inside ESG: The tiny fund that took on a US giant and won](#)  
“The show returns this September 2021 with a special 5-part series produced in partnership with the FT’s Moral Money team and hosted by Manuela Saragosa, on the hopes and the hype surrounding ESG and sustainable investing.”
- [Drive for green schemes fuels investment trust funding boom](#)  
“Booming demand for green infrastructure investments has helped power a record run of fundraising for UK investment trusts, with managers smashing the previous annual record for capital raising in the first nine months of 2021. UK investment trusts have raised £8.7bn in secondary fundraising so far this year, according to the Association of Investment Companies (AIC), already surpassing the previous 12-month record of £7.4bn set in 2019.”
- [Record gas prices hit bonds as investors fear wider damage](#)  
“European natural gas prices shot to record highs on Tuesday, dragging down bond markets in a sign that investors were expecting wider economic damage.”
- [Hedge funds cash in as green investors dump energy stocks](#)  
“Hedge funds have been quietly scooping up the shares of unloved oil and gas companies discarded by environmentally minded institutional investors, and are now reaping big gains as energy prices surge. Hedge fund managers in the US and UK have been betting that the eagerness of many big institutions to be seen to embrace environmental, social and governance (ESG) standards means they are selling wholesale out of fossil fuel stocks, even though demand for some of these products remains high.”

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- [Global airlines commit to net zero emissions by 2050](#)  
“Decarbonising the airline industry is a real challenge because we don’t have a clear solution in the short term,” said IATA director-general Willie Walsh. “But we do believe very strongly... there is a credible path to net zero.”
- [Allbirds walks back ‘sustainable IPO’ claims ahead of market debut](#)  
“Allbirds, the self-styled ethical shoemaker that recently announced plans to launch the first “sustainable initial public offering”, has walked back some of the ESG commitments it made ahead of its planned market debut.”
- [The post-pandemic recovery may prove more complicated than it looks](#)  
“Power outages, supply chain disruption, shortages in the shops, soaring energy prices, labour shortages, accumulating debt — the bad news piles up. Meanwhile, the recent rhetoric of Federal Reserve chair Jay Powell has betrayed a hint of a suspicion that the current inflationary uptick may be less transitory than the world’s central bankers initially thought.”
- [We could be re-entering postwar Britain, not the 1970s](#)  
“Shearing draws three parallels between today’s economic climate and that seen post-1945. The first is labour market frictions. The second: a rise in public debt and private savings. Finally, there’s the boom in consumer demand — coupled with supply shortages — leading to a surge in inflation.”
- [Ireland to invest €165bn in infrastructure](#)  
“Ireland has unveiled plans to pump a record €165bn into infrastructure projects by 2030, as it struggles to keep pace with a fast-growing population after decades of under-investment in the sector”
- [Wall Street opens lower and US oil hits highest since 2014](#)  
“US stocks and Treasury bonds fell to start the week, as investors brace for the Federal Reserve to begin scaling back its stimulus programme.”
- [China property sector woes intensify after mid-sized developer defaults](#)  
“The debt problems afflicting China’s real estate market deepened on Tuesday after a developer defaulted on its bonds while the world’s most heavily indebted property group Evergrande extended a suspension of its shares into a second day without explanation.”
- [Financial cleansing deters investment in China](#)  
“China’s new five-year plan for 2021-25 does not forecast a five-year growth rate, and assumes slower growth while addressing the inequalities. China still has a positive interest rate, its central bank balance sheet is not ballooning, and it maintains controls over commercial bank lending to regulate debt. It is worried that it has allowed too much private sector corporate debt and is now encouraging action from regulators, as well as bankruptcy, to rein it in. There may be fixes for domestic debt at the expense of shareholders and entrepreneurs, with a tougher approach to foreign debt.”

## 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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### Important Information:

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