European Leveraged Finance Association

BRIEFINGS

LEGAL & REGULATORY

25 May 2021

Legal and Regulatory Updates

17/05/2021 – 21/05/2021

Key Highlights

- This Legal & Regulatory Update covers the week commencing **17/05/2021**.
- BoE publishes discussion paper on greening its Corporate Bond Purchase Scheme.
- FCA consults on use of new powers to support orderly wind down of critical benchmarks.
- RFRWG releases recommendation on successor rate for fallbacks in bond documentation referencing GBP LIBOR.
- FRC reminds companies that high quality disclosure is vital for investors ahead of 2021 interim reporting season.
- EBA publishes results of its first EU-wide pilot exercise on climate risk.
- ECB review sees elevated financial stability risks due to uneven impact of pandemic.
- ECB publishes report on climate-related risks to financial stability.
- CBI gives speech on Covid-19, funds sector and sustainably serving the economy.
- CBI issues letter to UCITS funds managers on liquidity risk management practices following ESMA's recent findings.
- AMF publishes its findings after a European common supervisory action on liquidity management in UCITS.
- ICMA publishes industry guide to definitions and best practice for bond pricing distribution.
- ICMA provides international overview of 'taxonomies' for sustainable finance and recommends success criteria.
- Working Group on Euro Risk-Free Rates releases recommendations on EURIBOR fallback trigger events and €SRT-based EURIBOR fallback rates.
- 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)

17 – 21 May 2021: Speeches, Letters & Publications

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

- PRA statement on supervisory benchmarking exercise relating to capital internal models May 2021
- Climate change: Plotting our course to Net Zero – Speech by Sarah Breeden
- It's not easy being green - but that shouldn't stop us: how central banks can use their monetary policy portfolios to support orderly transition to net zero – Speech by Andrew Hauser
- Building financial market resilience: From diagnosis to prescription – Speech by Jonathan Hall
- Options for greening the Bank of England's Corporate Bond Purchase Scheme – Discussion Paper
- Minutes of the Working Group on Sterling Risk-Free Reference Rates March 2021

Financial Conduct Authority (FCA)

20 May 2021: FCA consults on use of new powers to support orderly wind down of critical benchmarks

The Financial Conduct Authority (FCA) published a consultation on its proposed policy framework for exercising two of its new powers under the Benchmarks Regulation (BMR), which will be introduced by the Financial Services Act 2021. These powers relate to the use of critical benchmarks that are being wound down, namely:

- deciding what legacy use of a permanently non-representative benchmark, such as any synthetic LIBOR, will be permitted to continue; and
- the FCA's proposed approach to using its power to prohibit new use of a critical benchmark which is ending. This power is separate to the legacy use power described above and will be particularly relevant to US dollar LIBOR, given most settings will continue in their current form until mid-2023.

The FCA will finalise its policies in light of the feedback received. It will then aim to consult in Q3 on its proposed decisions on precisely what legacy use to allow for any synthetic sterling and yen LIBOR, and how it might restrict new use of LIBOR rates, including US dollar LIBOR. The FCA intends to confirm its final decisions as soon as practicable in Q4. The consultation is another important step in the wind down of LIBOR, and the deadline for responses to the FCA's consultation is 17 June.

Working Group on Sterling Risk-Free Reference Rates (RFRWG)

May 2021: RFRWG releases recommendation on successor rate for fallbacks in bond documentation referencing GBP LIBOR

The Working Group on Sterling Risk-Free Reference Rates (RFRWG) released a recommendation on the successor rate for fallbacks in bond documentation referencing GBP LIBOR.

The recommendation is the result of a consultation process, which confirmed that it would be helpful for the Working Group, in its capacity as a relevant nominating body, to make a recommendation on the successor rate to GBP LIBOR for fallbacks in bond documentation that envisage the selection of a recommended successor rate.

The responses to the consultation also identified a strong consensus in favour of overnight SONIA, compounded in arrears, as the recommended successor rate to GBP LIBOR for the purposes of the operation of such fallbacks. In light of this, the Working Group recommends the use of overnight SONIA, compounded in arrears, as the successor rate recommended to replace GBP LIBOR for the purposes of the operation of fallbacks in bond documentation that envisage the selection of a recommended successor rate. In addition, a majority of the responses concluded that any further detail on the conventions to be used to accompany the recommended successor rate, such as use of observation lag or shift, should be left to the issuer to agree on a case-by-case basis. The Working Group's recommended successor rate is intended solely for bond documentation referencing GBP LIBOR that contains contractual fallbacks which result in the selection of a recommended successor rate as a fallback

Financial Reporting Council (FRC)

18 May 2021: FRC reminds companies that high quality disclosure is vital for investors ahead of 2021 interim reporting season

Ahead of the 2021 interim reporting season, a review by the Financial Reporting Council (FRC) has highlighted examples of good practice in company's interim reporting and areas where further improvements are required. The FRC reviewed the reports of 20 quoted companies across a range of industries to assess the quality of interim reporting. The FRC emphasised that timely and reliable interim reporting is vital for investors, creditors and other stakeholders to properly understand a company's financial position, performance and liquidity.

Overall, the FRC was pleased with the quality of interim reports, with most companies taking into account FRC Covid-19 recommendations to enhance their disclosures, particularly in relation to going concern and the statement of cash flows. For significant events and transactions taking place during the interim period, such as impairments, many companies provided detailed explanations and other helpful information normally reserved for the annual reports and accounts. An area of improvement, however, was with regard to providing better explanations on balance sheet movements.

19 May 2021: FRC publishes thematic briefing on the audit of cash flow statements

The FRC published its Thematic Briefing Report: The audit of cash flow statements. The briefing document highlights the results of the FRC's Constructive Engagement, key findings and the steps taken by audit firms to strengthen the audit of cash flow statements.

17 – 21 May 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:

- FRC issues revised International Standard for Review Engagement (UK) 2410 (ISRE (UK) 2410): Review of Interim Financial Information Performed by the Independent Auditor of the Entity – the revised standard provides additional clarity on auditor responsibilities, strengthens the review procedures required on management's going concern assessment and strengthens reporting requirements in relation to going concern
- FRC concludes annual review of FRS 101 – 2020/21 cycle

European Supervisory Authorities (ESAs)

17 – 21 May 2021: Speeches, Letters & Other Publications

During the week, the Joint Committee of the European Supervisory Authorities (ESAs – European Banking Authority, European Insurance and Occupational Pensions Authority, and European Securities and Markets Authority) released the following speeches, announcements, and publications that might be of interest to our readers:

- ESAs' report on the implementation and functioning of the securitisation regulation – this is an analysis of the implementation and the functioning of the EU Securitisation Regulation (SECR), including recommendations on how to address initial inconsistencies and challenges, which may affect the overall efficiency of the current securitisation regime. The report is meant to provide guidance to the European Commission in the context of its review of the functioning of the SECR. It also provides initial inputs to the ongoing discussion on the efficiency of the securitisation framework given the role that securitisation could play in the recovery post the Covid-19 pandemic.

European Banking Authority (EBA)

21 May 2021: EBA publishes results of its first EU-wide pilot exercise on climate risk

The European Banking Authority (EBA) published the findings of its first EU-wide pilot exercise on climate risk, whose main objective is to map banks' exposures to climate risk and provide an insight into the green estimation efforts banks have carried out so far. The findings give a clear picture of banks' data gaps and highlight the sense of urgency to remedy them if they are to achieve a meaningful and smooth transition to a low-carbon economy. The EBA emphasised that it is only through a more harmonised approach and common metrics that banks' efforts will prove meaningful in addressing and mitigating the potentially disruptive impacts of environmental risks. The findings also show big differences in banks' application of the EU taxonomy. A first estimate of the starting point of their green asset ratio (GAR) estimated with a top-down tool currently stands at 7.9%.

17 – 21 May 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 announces plans for the 2021 EU-wide Transparency exercise and EBA Risk Assessment Report – the announced that the annual 2021 EU-wide Transparency exercise will be carried out in autumn and the information on banks' exposures and asset quality during the crisis will be released to market participants. The exercise will cover the figures from the second half of 2020 and the first half of 2021. The exercise is planned to be launched in September and the results are expected to be published at the beginning of December, along with the EBA Risk Assessment Report

- The EBA publishes report on Member States' reliance on external credit ratings – the EBA published a report, which analyses the extent to which Member States' national law relies on external credit ratings. Based on a survey among EU banking supervisors, no mechanistic reliance on external credit ratings was identified. Furthermore, using EBA supervisory reporting data, the report shows that the use of external credit ratings in the calculation of risk-weighted exposure amounts (RWEA) under the standardised approach, and under the External Ratings Based Approach (SEC-ERBA) of the securitisation framework is limited. The EBA's assessment will ensure a comprehensive overview of the reliance on ratings for regulatory purposes ahead of the implementation of Basel III reforms into the EU legislative framework

European Central Bank (ECB)

19 May 2021: ECB review sees elevated financial stability risks due to uneven impact of pandemic

The uneven economic impact of the pandemic means that financial stability risks are concentrated in specific sectors and countries, often with higher pre-existing vulnerabilities, concludes the May 2021 Financial Stability Review (FSR) of the European Central Bank (ECB). According to the review, non-banks continue to have large exposures to corporates with weak fundamentals and are sensitive to a yield shock, given their material bond portfolio duration, exposure to US markets and high degree of liquidity risk.

This edition of the FSR also includes new analysis about the impact of climate change on financial stability in the euro area. The report explains that a significant share of bank loan exposures to corporates could be subject to a high level of climate-related physical risk, directly affecting firms' operations or the physical collateral used to secure loans. The report highlights that investor interest in "green finance" continues to grow – but so-called greenwashing concerns need to be addressed to foster efficient market mechanisms. The report emphasises that both the assessment of risks and the allocation of financing to support the transition to a greener economy can benefit from enhanced disclosures and data, as well as clearer green finance standards.

17 – 21 May 2021: Speeches, Letters & Other Publications

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

- Climate-related risks to financial stability – Published as part of the Financial Stability Review, May 2021
- Investment funds' procyclical selling and cash hoarding: a case for strengthening regulation from a macroprudential perspective – Published as part of the Financial Stability Review, May 2021
- Investment fund flows, risk-taking and monetary policy – Published as part of the Financial Stability Review, May 2021
- Credit risk transmission during the pandemic: the sovereign-bank-corporate nexus – Published as part of the Financial Stability Review, May 2021
- Corporate zombification: post-pandemic risks in the euro area – Published as part of the Financial Stability Review, May 2021
- Lending relationships in loan renegotiation: evidence from corporate loans – Working Paper Series
- Policies in support of lending following the coronavirus (COVID-19) pandemic – Occasional Paper Series
- A risk management perspective on macroprudential policy – Working Paper Series
- On the optimal control of interbank contagion in the euro area banking system – Working Paper Series
- "We can't afford to drag our heels when it comes to risk" – Frank Elderson, Vice-Chair of the ECB's Supervisory Board, talks about monitoring credit risks during the pandemic, addressing current and future climate change risks, and the suitability and diversity of banks' boards

European Commission

17 – 21 May 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:

- Financial Services User Group (FSUG) writes to Commission regarding its Strategy on Sustainable Corporate Governance – on 26 October 2020, the EC launched a consultation to respond to alleged short-termism of shareholders1 and proposed potential initiatives in the area of sustainable corporate governance. In this letter, the FSUG expresses its concerns regarding some of the proposals while also supporting the Commission's aim to support long-term shareholder engagement of end-investors
- Green Budgeting Practices in the EU: A First Review – this paper presents an overview of green budgeting practices in selected Member States
- European Green Deal: Developing a sustainable blue economy in the European Union – the Commission is proposing a new approach for a sustainable blue economy in the EU for the industries and sectors related to oceans, seas and coasts. A sustainable blue economy is essential to achieving the objectives of the European Green Deal and ensuring a green and inclusive recovery from the pandemic

Central Bank of Ireland (CBI)

17 – 21 May 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 issues letter to UCITS funds managers on liquidity risk management practices following ESMA's recent findings from its Common Supervisory Action (CSA) – the letter outlines the actions now required of all Irish UCITS managers on foot of the CSA's findings. This includes the need to critically review liquidity risk management frameworks and to take action necessary to address CSA findings
- "Covid-19, funds sector, and sustainably serving the economy" – the Central Bank's Director General, Financial Conduct, Derville Rowland spoke at the Irish Funds Annual Global Funds Conference today (19 May 2021) where she provided an overview of some of the economic challenges posed by the Covid-19 pandemic, and required areas of improvement in the funds sector

Autorité des marchés financiers (AMF)

17 – 21 May 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 its findings after a European common supervisory action on liquidity management in UCITS – the AMF presented the findings of a supervisory exercise coordinated by ESMA on liquidity risk management in UCITS in France. Since proper consideration of liquidity risk is essential for UCITS, the AMF is asking asset management companies to strengthen

their procedures, especially for UCITS with a particular liquidity risk. In 2020, the AMF took part in the European common supervisory action on liquidity management practices in UCITS funds, coordinated by the European Securities and Markets Authority (ESMA). The aim was to ensure that the practices of asset management companies comply with the regulations and allow them to effectively meet investors' redemption requests at all times. Following ESMA's publication of the main observations at the EU level, the AMF published a summary of its findings concerning French asset management companies
- Analysis of French money market fund portfolios during the surge in withdrawals recorded at the onset of the COVID-19 crisis – the AMF is publishing a detailed analysis of French money market fund (MMF) portfolios during the Covid crisis, from January to April 2020. It presents the French M M F market and the distortion of portfolios during this period marked by a massive wave of redemptions in March

Basel Committee on Banking Supervision (BCBS)

17 – 21 May 2021: Speeches, Letters & Other Publications

During the week, the Basel Committee on Banking Supervision (BCBS) released the following speeches, announcements and publications that might be of interest to our readers:

- Three questions on the outlook for banking – Keynote speech by Ms Carolyn Rogers, Secretary General of the Basel Committee on Banking Supervision, IACPM Virtual Spring Conference, 19 May 2021

International Capital Market Association (ICMA)

17 May 2021: ICMA publishes industry guide to definitions and best practice for bond pricing distribution

The International Capital Market Association's (ICMA) published a new industry guide to definitions and best practice for bond pricing distribution, which aims to set out standards and definitions agreed on by a representative group of industry participants. According to ICMA, pre-trade information on bond pricing is currently non-standardised and often misunderstood. The term 'axe' is used in fixed income trading to represent a sell-side advertising buy or sell bond interests. These are traditionally tied in some form to the sell-side's book but can also be driven by client orders and even a trader's market view or valuation. ICMA explained that there is keen interest in how these axes are distributed because they are a vital source of data for bond traders. Counterparties use axes to source liquidity, as well as to negotiate improvements in quotes received, potentially bringing the traded price inside the bid-ask spread. However, ICMA emphasised that, even though axes (pre-trade bond pricing information) are important for traders, the way in which they are distributed is not uniform and may even in some cases have been unintentionally misleading, causing consternation amongst buy-side market participants. In response, the guide to best practice sets out standards and definitions agreed on by a representative group of industry participants. The guide will be updated throughout 2021 and thereafter, reviewed semi-annually.

18 May 2021: ICMA provides international overview of 'taxonomies' for sustainable finance and recommends success criteria

ICMA published a new report titled 'Overview and Recommendations for Sustainable Finance Taxonomies', which compares the main features and methodologies of official taxonomies from the EU, China and other national authorities as well as influential market-based systems including the Green Bond Principles' project categories. This publication summarises the various approaches that have been taken as well as the different objectives that are being pursued. This report aims to help market participants and stakeholders to better understand existing taxonomies and their usage. It is also designed to inform policy makers and the regulatory community in their reflections on the pertinence of further taxonomy related initiatives and the goals that they may wish to pursue with these efforts.

The key success criteria proposed by the paper recommend that taxonomies should be:

- targeted in their purpose and objective,
- additional in relation to existing international frameworks,
- usable by the market for all intended purposes,
- open and compatible with complementary approaches and initiative; and
- transition-enabled incorporating trajectories and pathways.

17 – 21 May 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 AMIC publishes discussion paper on ESG KPIs for Auto-loans/leases ABS – this discussion paper focuses on ESG KPIs for auto-loans/leases ABS. Next steps are to identify key performance indicators for two other sub asset classes (RMBS and CLOs). The working group will engage with other market participants and regulators to promote the usage of identified KPIs
- Industry associations publish UK version of the SFTR article 15 information statement – to help market participants comply with requirements under Article 15 of the UK Securities Financing Transactions Regulation. The Information Statement informs users of the general risks and consequences that may be involved in consenting to a right of use of collateral provided under a security collateral arrangement or of concluding a title transfer collateral arrangement (for example, the GMRA)
- Monthly Market update: ICMA Asset Management & Investors Council (19 May 2021) – Podcast

Financial Stability Board (FSB)

17 – 21 May 2021: Speeches, Letters & Other Publications

During the week, the Financial Stability Board (FSB) released the following speeches, announcements and publications that might be of interest to our readers:

- FSB Asia group discusses risks to financial stability and regulatory and supervisory challenges arising from COVID-19
- FSB Commonwealth of Independent States (CIS) group discusses risks to financial stability

Other Updates

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

11 May 2021: Working Group on Euro Risk-Free Rates releases recommendations on EURIBOR fallback trigger events and €SRT-based EURIBOR fallback rates

The Working Group on Euro Risk-Free Rates released recommendations on EURIBOR fallback trigger events and €SRT-based EURIBOR fallback rates. For the bond market, the recommended fallback rate is €STR using a backward-looking lookback period methodology. It is however acknowledged that parties may determine that it is necessary to have consistency with other debt market products, and so market participants could therefore also consider the appropriateness of having consistency with other debt securities, for which the backward-looking lookback period methodology is recommended.

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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.

Financial Times

- Investors protest against big payouts for UK bosses
  "UK companies are coming under intense pressure from shareholders over executive pay, with support for remuneration resolutions falling to an eight-year low, as investors protest against big payouts for bosses while the country grapples with the pandemic. Companies including Rio Tinto, AstraZeneca, National Express and Cineworld have suffered large shareholder revolts in recent weeks as pay became the annual meeting season's biggest flashpoint. While most pay reports and policies are signed off overwhelmingly by investors, more than a third of shareholders have voted against executive remuneration in at least 15 FTSE 350 businesses this year"
- ECB warns pandemic debt burden creates financial stability risks
  "The rising debt levels of eurozone governments and companies have made it more likely that economic aftershocks from the coronavirus pandemic could trigger financial instability, the European Central Bank has warned. While the economic outlook has brightened recently due to falling infection rates and accelerating vaccinations, the ECB said on Wednesday in its twice yearly financial stability review that the bloc was still far from safe"
- Lenders struggle to recoup losses after US corporate debt defaults
  "Lenders recouped far less from US companies that went bust during the pandemic than in previous economic downturns, a new report has revealed, reflecting loose underwriting standards and shifts in corporate debt structures. The average recovery rate for the holders of bonds and loans was 45 cents on the dollar, rating agency Moody's found, down from 59 cents in the 2008-09 financial crisis and below the historical average of more than 50 cents. Oil and gas group Gavilan Resources provided the lowest company-wide recovery during the pandemic at just 9 cents on the dollar. The Moody's report outlines a marked shift in how much investors can expect to retrieve from companies they lend to should they renege on their obligations — the effects of a decade of rampant demand for corporate debt and of borrowers having the upper hand over lenders"
- Ireland calls for review of fund liquidity after March 2020 crisis
  "Ireland's central bank has called on asset managers to critically review their practices to avoid a repeat of an episode at the height of the coronavirus crisis during which dozens of funds seized up. The Central Bank of Ireland, the regulator of the country's €3tn fund sector, has instructed all asset managers with operations on the island to carry out a detailed review of their liquidity management processes to improve safeguards for investors"
- Business must play its part in creating healthier societies
  "Health ought to be a key factor in investors' environmental, social and corporate governance decisions. Curiously, it is not. Most asset managers now have a wide range of strategies and funds claiming to address climate change, but health gets little more than a nod in their annual investment reports"
- Letter: Asbestos payouts are a harbinger of costs of climate inaction
  "Defining the responsibility of companies is not just essential for a sustainable planet. It is also essential as part of the quasi-legal architecture that allows commerce to flourish and gives companies a licence to trade. Some, such as the Climate Principles for Enterprises group, have made an attempt to define enterprise obligations. But the issue has yet to get the prominence it deserves and there is no global consensus on what companies need to do. That needs urgently to be addressed"
- Deutsche Bank sets implicit quota of 50% women for senior hires
  "Deutsche Bank will have to appoint women to about 50 per cent of vacant senior management positions to meet its new 2025 gender target, a Financial Times calculation shows. Germany's largest lender last week promised to raise the share of women among its roughly 600 most senior executives to at least 30 per cent by 2025, up from 24 per cent now. Only a limited number of these positions become vacant per year, however, so this target can only be met if the lender chooses female candidates in at least every other senior hire and promotion, according to the FT's figures"
- EU leaders brace for clash on how to implement climate goals
  "European leaders are on a collision course over the looming impact of radical emission targets on their citizens and businesses as the cost of going green hits home across the EU"
- EU to target aviation in revamp of fossil-fuel levy
  "The EU is moving closer towards agreeing a tax on aviation as part of a wide-ranging revamp of fossil-fuel levies to help meet ambitious emissions goals. EU finance ministers meeting in Lisbon on Saturday expressed broad support for upcoming proposals for a Europe-wide tax on kerosene jet fuel used in aircraft, officials told the Financial Times"

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- Turn green or lose 'licence to operate', says Deutsche Bank chief
"Deutsche Bank chief executive Christian Sewing has warned that lenders risk losing their licence to operate if they fail to make green finance a priority, as the group raised its own targets. Germany's biggest bank on Thursday laid out plans to increase its financing aimed at environmentally sustainable projects to about €220bn by 2023, two years earlier and 10 per cent higher than its existing targets. Facing pressure from investors and activists, Deutsche Bank for the first time broke down its targets across its businesses. The investment bank will have to account for €105bn of the green business; the private bank will be required to contribute €86bn and the corporate bank €30bn"
- UK carbon trading system likely to lead to government intervention, traders warn
"The UK's effort to put a price on carbon pollution through a new trading system that launches this week is likely to lead to government intervention to reduce the cost to companies within months, traders have warned. Pent-up demand and the UK's strict emission targets are expected to lead to a sustained rally in the price of carbon credits on the UK Emissions Trading Scheme (ETS) when it goes live"
- Biden sets the stage for a corporate climate risk mandate
"The Biden administration on Wednesday took a major step towards mandating that companies disclose climate risk data. A new executive order instructs Treasury secretary Janet Yellen to work with the other members of the Financial Stability Oversight Council (a group that includes Federal Reserve chair Jay Powell and Securities and Exchange Commission boss Gary Gensler) to report how they plan to reduce risks to financial stability"
- JPMorgan funds invested in CoreCivic debt after vow to stop financing private prisons
"Two years after JPMorgan Chase announced it would no longer finance the private prison industry in the US, the bank's asset management arm has disclosed a position in a private prison bond sold last month. Funds tied to the bank have invested $25m or more in a bond issued by CoreCivic, which runs prisons and detention centres across the US. The funds each bought a piece of a recent $450m bond sold by the company in April. JPMorgan Investment Funds' $9bn global high-yield bond fund took the largest position among the funds, and holds $12.5m in the CoreCivic bond, according to regulatory filings for the end of April compiled by Bloomberg. The asset management arm's $7bn high-yield fund also owns $9.5m of the debt, according to a disclosure from JPMorgan Asset Management"
- Foreign investors tiptoe into frontier markets in search of returns
"Investors have begun wading more deeply into frontier markets such as Uzbekistan and Tanzania as they chase higher returns and seek assets that do not move in tandem with those in larger developing nations. The European Investment Bank issued its first-ever frontier local currency note in the Georgian lari on Monday, responding to a surge in demand for high-yielding but riskier debt in previously untapped countries"

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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