

European Regulatory Timeline 2022

Key regulatory developments impacting UK and European financial services firms

	Date in Force	Regulatory Development	Commentary
January 2022	1 January 2022	Investment Firms Prudential Regime (IFPR) Firms in scope have to comply with the IFPR.	The UK-specific IFPR has to be complied with by FCA-authorized UK investment firms.
	1 January 2022	ESG – FCA's Climate-related Disclosure Regime (Phase 1) Largest firms in scope have to comply with new requirements for climate-related financial information.	There is a phased approach to the implementation of the FCA's rules on climate-related disclosures. The rules apply from 1 January 2022 for the largest UK asset managers, life insurers, and pension providers that are authorized by the FCA (generally firms with more than £50 billion in assets under management (or £25 billion assets under administration for asset owners)). The first public disclosures will need to be made by 30 June 2023.
	1 January 2022	EU ESG - Taxonomy Regulation In-scope firms have to comply with the Taxonomy Regulation and the Taxonomy Climate Delegated Act.	The Taxonomy Regulation (2020/852/EU) comes into force for firms carrying out marketing in the European Economic Area. This supplements the regulation on sustainability-related disclosures in the financial services sector ((EU) 2019/2088) ("SFDR") and introduces an EU-wide classification system (or taxonomy) of environmentally sustainable activities. The Taxonomy Climate Delegated Act with the technical screening criteria for climate change adaptation and mitigation under the Taxonomy Regulation apply from 1 January as well.
February 2022	2 February 2022	EU – Cross-Border Marketing Regime (CBDF) New guidelines on marketing communications and the CBDF framework start to apply to firms.	Firms carrying out marketing in the European Economic Area have to comply with the new marketing communication guidelines.
	28 February 2022	EU – MiFID Deadline for completion of Commission review of adequacy of best execution reporting requirements under MiFID II.	The Commission is expected to provide proposals for improvements to the MiFID II framework on best execution reports. These proposals aim at ensuring effective and consistent regulation and supervision and enhancing investor protection.
	February 2022	EU-AIFMD European Commission consultation on legislative proposal for a directive amending the Alternative Investment Fund Managers Directive (2011/61/EU) (AIFMD) closes to comments.	Following the Commission adopting a legislative proposal, the Council of the EU and the European Parliament are considering the legislative proposal. The Commission expects member states to transpose the new directive into national law and regulation within 24 months from the date of its entry into force. It is currently expected that the new requirements would apply from 2024/2025 at the earliest.
	February 2022	EU- ELTIF European Commission consultation on legislative proposal for a Regulation containing amendments to the Regulation on European long-term investment funds ((EU) 2015/760) (ELTIF Regulation) closes to comments.	Following the Commission adopting a legislative proposal, the Council of the EU and the European Parliament are considering the legislative proposal. The Commission intends for the amending Regulation to apply six months from the date of its entry into force. It is currently expected that the new requirements would apply from 2024.
March 2022	1 March 2022	Inducement Rules MiFID-firms in scope have to comply with the expanded list of acceptable minor non-monetary benefits.	The FCA expanded the list of acceptable minor non-monetary benefits set out in COBS 2.3A. The changes tighten the prohibition on the receipts of fees, commission, monetary or non-monetary benefits paid or provided by third parties. It also introduces two different prohibitions on the receipt of inducements for firms providing independent advice or portfolio management services.
	2 March 2022	EU - EuVECA & EuSEF Commission due to review the European Venture Capital Funds Regulation (Regulation 345/2013) (EuVECA Regulation) and European Social Entrepreneurship Funds (EuSEF) Regulation (Regulation 346/2013) (EuSEF Regulation).	The EuVECA and EuSEF Regulations each require the Commission to complete a review of the regulations and to propose amendments by 2 March 2022 to the extent necessary.
	30 March 2022	Money Laundering Reporting Obligation Firms carrying out business that potentially pose a higher money laundering risk have to comply with new FCA reporting obligations.	The FCA has extended its annual financial crime reporting obligation to include firms carrying on regulated activities that potentially pose a higher money laundering risk, including cryptoasset businesses.
May 2022	May 2022	Appointed Representatives Regime FCA to publish a policy statement to its consultation paper on improving the appointed representatives ("AR") regime.	The FCA's proposed changes to the AR regime are expected to include additional information on ARs and notification requirements for principal firms and clarification and strengthening of responsibilities and expectations of principal firms.
	May 2022	Sustainability Disclosure Requirements and Investment Labels FCA to publish a policy statement to its consultation paper on a new sustainability disclosure requirement and a labelling system.	The FCA is proposing to implement its own distinct ESG disclosure regime for sustainable investment products for asset managers and certain FCA-regulated asset owners.

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June 2022	<p>Long-Term Asset fund (LTAF) FCA to consult on broadening the range of consumers being able to invest in LTAF.</p>	The FCA plans to consult on whether to enable a broader range of consumers to invest in LTAFs in a controlled way. It also plans to consult on amending the requirement for the depositary to be the legal owner of an LTAF's non-custodial assets.
	<p>EU Sustainable Finance – Taxonomy Regulation Commission due to adopt additional legislation for remaining environmental objectives and transitional activities.</p>	Commission due to adopt delegated act containing the technical screening criteria on the remaining economic objectives (with a view to it applying from 1 January 2023). Commission is also due to adopt an additional delegated act, which covers activities (especially transitional activities) that are not covered in the Taxonomy Climate Delegated Act.
	<p>Sustainability Disclosure Regime (SDR) FCA due to consult on policy proposals to implement new UK SDR regime.</p>	Following the discussion paper from October 2021 (DP21/4) outlining its approach to new UK sustainability disclosure requirements and a sustainable investment labelling system, the FCA plans to consult on policy proposals on this new regime.
August 2022	<p>EU - AIFMD ESG Amendments Firms in scope of AIFMD have to comply with additional ESG-related requirements.</p>	Commission Delegated Regulation (EU) 2021/1255 integrating sustainability into the AIFMD starts to apply. Firms have to include the consideration of sustainability risks in due diligence requirements and retain the necessary resources and expertise for the integration of sustainability risks. The amendments also require senior management to be responsible for the integration of sustainability risks and requires risk management policies to consider exposures to sustainability risks.
	<p>EU - MiFID ESG Amendments (1) Firms in scope of MiFID have to comply with some additional ESG-related requirements.</p>	Commission Delegated Regulation (EU) 2021/1253 integrating sustainability into MiFID starts to apply. Investment firms providing financial advice and portfolio management need to carry out a mandatory assessment of sustainability preferences of clients.
November 2022	<p>EU - MiFID ESG Amendments (2) Firms in scope of MiFID have to comply with further ESG-related requirements.</p>	Commission Delegated Directive (EU) 2021/1269 integrating sustainability into MiFID starts to apply. Firms have to integrate sustainability factors e.g. in product approval/governance/oversight processes that are intended to be distributed to clients seeking sustainable investments.
January 2023	<p>EU – SFDR Regulatory Technical Standards (SFDR RTS) Firms in scope have to comply with the delegated legislation of the SFDR.</p>	The delayed SFDR RTS providing details on disclosure requirements are expected to apply. The SFDR RTS aim to create a “single rulebook” for sustainability-related disclosures for SFDR pre-contractual and periodic product disclosures, including Taxonomy Regulation-related product disclosures.
	<p>EU – Taxonomy Regulation In-scope firms have to comply with the delegated acts for four outstanding economic objectives.</p>	The Taxonomy technical screening criteria and regulatory technical standards for water, circular economy, pollution prevention & control, and biodiversity & ecosystems start to apply.
	<p>ESG – FCA's Climate-related Disclosure Regime (Phase 2) Small firms in scope have to comply with new requirements for climate-related financial information.</p>	Smaller UK asset managers, life insurers, and pension providers that are authorized by the FCA (assets above a £5 billion exemption threshold) will have to comply with the new disclosure regime from 1 January 2023. The first public disclosures will need to be made by 30 June 2024.

The information in this timeline is current as of 14 January 2022. Please get in touch with the key contacts listed below for further information or with questions on these developments.

Key Contacts:



Kirsten E. Lapham
Partner, Regulatory
klapham@proskauer.com
+44.20.7280.2031



John Verwey
Partner, Regulatory
jverwey@proskauer.com
+44.20.7280.2033



Andrew Wingfield
Partner, Corporate
awingfield@proskauer.com
+44.20.7280.2021



Jade-Alexandra Fearn
Special Antitrust &
Regulatory Counsel
jfearns@proskauer.com
+44.20.7280.2215



Amar D. Unadkat
Special Regulatory Counsel
aunadkat@proskauer.com
+44.20.7280.2144



Michael Singh
Associate, Regulatory
msingh@proskauer.com
+44.20.7280.2269



Paul R. Hughes
Consultant, Corporate
phughes@proskauer.com
+44.20.7280.2284