

## BROKER-DEALER

### **SEC Announces Creation of Office of Risk and Strategy**

On March 8, the Securities and Exchange Commission announced the creation of the Office of Risk and Strategy (ORS) within the SEC's Office of Compliance Inspections and Examinations (OCIE).

OCIE conducts the SEC's National Examination Program through risk-based examinations of SEC-registered investment advisers, investment companies, broker-dealers, municipal advisors, self-regulatory organizations, clearing agencies and transfer agents. ORS is expected to lead the National Examination Program's risk-based and data-driven approach and to develop new tools and techniques to strengthen OCIE's risk analysis, surveillance and strategic abilities.

The SEC press release is available [here](#).

## DERIVATIVES

See "NFA To Review Initial Margin Models for SDs and MSPs" in the CFTC Section.

## CFTC

### **NFA To Review Initial Margin Models for SDs and MSPs**

National Futures Association (NFA) has issued a notice reminding its swap dealer (SD) and major swap participant (MSP) members of their obligations under the new uncleared swap margin requirements adopted by the Commodity Futures Trading Commission. Under the CFTC's new margin rules, SDs and MSPs that are not subject to oversight by a prudential regulator must calculate their initial margin using either a standardized model set forth by the CFTC or an internal risk-based model that has been approved by the CFTC or NFA. More information related to the margin requirements is available in the [Corporate & Financial Weekly Digest edition of December 18, 2015](#).

The CFTC's margin rules will be implemented in phases starting on September 1. Each SD and MSP that seeks NFA approval for its internal risk-based model must submit supporting documentation that describes the quantitative standards for the model and the qualitative standards for the firm. NFA will issue a notice to members shortly to provide further details on the documentation submission process.

More information is available [here](#).

## INVESTMENT COMPANIES AND INVESTMENT ADVISERS

See "SEC Announces Creation of Office of Risk and Strategy" in the Broker-Dealer section.

## UK DEVELOPMENTS

### Senior Managers Regime Goes Into Effect in the United Kingdom

On March 7, the Senior Managers Regime (SMR) went into effect for UK-based banks and insurers, replacing the existing UK-approved person rules for all senior managers within scope at relevant firms. Other firms regulated by the Financial Conduct Authority (FCA) will be brought into scope in 2018.

To show their commitment to the SMR going into effect, the FCA, the Prudential Regulation Authority (PRA) and the Payment Systems Regulator (PSR) have each applied the core principles of the SMR to their own senior staff.

For further information on the SMR and the Certification Regime, see the [Corporate & Financial Weekly Digest edition of January 29](#) and the [edition of October 30, 2015](#).

Details on the FCA's application of the SMR can be found [here](#).

Details on the PRA's application of the SMR can be found [here](#).

Details on the PSR's application of the SMR can be found [here](#).

### House of Lords and House of Commons Agree on PSC Register Regulations

As noted in the [Corporate & Financial Weekly Digest edition of February 5](#), the UK Government on January 25 published two regulations in relation to new requirements for UK-incorporated companies and UK-formed limited liability partnerships (LLPs) to keep a register of people with significant control (PSC Register).

The House of Lords and House of Commons have now agreed to the text of those regulations. The regulations are set to go into effect on April 6 and will require all UK-incorporated companies and UK-formed LLPs to keep a PSC Register and to file that information with Companies House beginning June 30.

For further information, see previous *Corporate & Financial Weekly Digest* editions from [January 8](#) and [August 14, 2015](#).

A copy of the official report as published in the House of Commons' *Parliamentary Debates* can be found [here](#).

A copy of the House of Lords' *Daily Hansard* can be found [here](#).

## EU DEVELOPMENTS

### European Commission Publishes a List of Planned Initiatives for 2016

On March 7, the European Commission (EC) published a document containing a list of planned EC initiatives (List). The List sets out the scope, objectives and expected adoption dates of legislative and non-legislative initiatives, and forms part of the 2016 work program of the EC.

Agenda items noted on the List include:

- a proposal for a regulation on the recovery and resolution of central counterparties;
- a "possible" legislative proposal to amend the Capital Requirements Regulation (CRR) to incorporate changes to the Basel framework and findings from other reviews required under the CRR; and
- various delegated and implementing acts in relation to the amended Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation.

The work program can be found [here](#).

A copy of the List can be found [here](#).

For additional coverage on financial and regulatory news, visit [Bridging the Week](#), authored by Katten's [Gary DeWaal](#).

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\* Click [here](#) to access the *Corporate & Financial Weekly Digest* archive.

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