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UK Financial Insights from Katten

August 2023

DTCC Announces Wind Down of Global Markets Entity Identifier Business

By Carolyn Jackson, Neil Robson, Nathaniel Lalone, Christopher Collins, Ciara McBrien

On July 27, the Depository Trust & Clearing Corporation (DTCC) announced its decision to exit the Global Markets Entity Identifier (GMEI) business by August 22. Through its GMEI business, DTCC issued Legal Entity Identifiers (LEIs) in more than 140 jurisdictions, representing approximately a 50 percent share of all LEIs issued worldwide. As part of the financial crisis regulatory reform, LEIs are required to be provided on most financial transactions, including derivatives transactions, to identify legal entities and their financial transactions in a globally accessible database. [Read about the DTCC's wind down.](#)

European Commission Approves the EU-US Data Privacy Framework

By Trisha Sircar

The European Commission (EC) approved a new adequacy decision on the EU-US Data Privacy Framework on July 10, 2023. The EC issued a [press release](#), stating that “[T]he decision concludes that the United States ensures an adequate level of protection for personal data transferred from the EU to US companies under the new framework. On the basis of the new adequacy decision, personal data can flow safely from the EU to US companies participating in the Framework, without having to put in place additional data protection safeguards.” [Read about EC's decision.](#)

European Commission Adopts Rules on Securitization Risk Retention

By Christopher Collins, Nathaniel Lalone, Peter Englund

On July 7, the EC approved the text of a delegated regulation supplementing the EU Securitization Regulation (EUSR) regarding regulatory technical standards on risk retention (RR RTS). Article 6 of the EUSR requires the originator, sponsor or original lender of a securitization to retain, on an ongoing basis, a material net economic interest in the securitization of not less than 5 percent. [Read about the EUSR.](#)

HM Treasury Shakes Up the Future of Short Selling in the UK

On July 11, HM Treasury issued two publications on the future of the UK's short-selling regime. The first publication was the UK government's response to HM Treasury's December 2022 call for evidence on the Short Selling Regulation (SSR), while the other is a new follow-on consultation relating to the short selling of sovereign debt and sovereign credit default swaps (CDS). [Read about the SSR.](#)

FCA Publishes Letter to Cryptoasset Firms on Changes to Financial Promotion Rules

By Christopher Collins, Neil Robson, Ciara McBrien

On July 4, the Financial Conduct Authority (FCA) published a letter sent to cryptoasset firms warning them that they must prepare for changes to the financial promotions regime that go into effect on October 8. This follows the FCA's publication of its "near-final" rules on financial promotions for cryptoassets in June 2023. [Read about the FCA's cryptoasset marketing regulations.](#)

Nathaniel Lalone Discusses the FCA's Plans for Post-Trade Transparency and Trading Venues

Financial Markets and Funds partner Nathaniel Lalone spoke with several media outlets, including *International Investment*, *The Trade*, *The Desk* and *L'Entrepreneur* on the Financial Conduct Authority's (FCA) plans to introduce a consolidated tape per asset class to reduce data costs and to address fragmented post-trade transparency. They will start with a tape for bonds, followed by equities. He also discussed the FCA's policy statement on the types of activities that require authorization as a trading venue. [Read about Nate's comments.](#)

Neil Robson Shares Insight Into Human Rights Issues in the Supply Chain

Financial Markets and Funds partner Neil Robson was recently quoted in *Logistics Business* and *Maritime Insights & Intelligence* regarding the impact environmental, social and governance (ESG) factors has on CEO decisions when reviewing supply chain needs. [Read about Neil's comments.](#)

Neil Robson Discusses Cryptocurrency Sustainability Issues With *FinTech Magazine*

Neil Robson spoke with *FinTech Magazine* regarding efforts by the crypto industry to be responsive to consumer interest in addressing environmental issues in crypto mining. Citing a [2021 report by Katten](#), "a single transaction of bitcoin has the same carbon footprint as 680,000 Visa transactions or 51,210 hours of watching YouTube." [Read about Neil's comments.](#)

ICYMI

Here's a look back at recent client advisories from Katten.

- ["Key Principles and Considerations for Participation in the EU-US Data Privacy Framework,"](#) July 25, 2023

Is the Financial Services and Markets Bill 2022 really the UK's "Big Bang 2.0"?

The UK Government introduced the Financial Services and Markets Bill into Parliament on 20 July 2022. The Bill comes with high hopes, and has been described as a "once in a generation opportunity" to improve the UK's financial regulatory framework, and to make the UK's financial services sector more competitive in a post-Brexit world. In a Lexology Masterclass led by members of the Katten UK regulatory team — Carolyn Jackson, Nathaniel Lalone, Neil Robson, Alice D'Mello and Christopher Collins — discuss what the proposed Bill will mean for

CONTACTS

For questions about developments in the [Financial Markets and Funds](#) industry, please contact any of the following Katten lawyers.



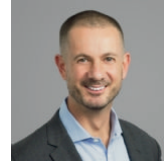
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