

# Katten



## *UK Financial Insights from Katten*

August 2024

### **ESG Corporate Reporting Requirements — Don't miss the deadline to comply!**

*By Neil Robson, Brigitte Weaver, Christy Wilson*

The new Corporate Sustainability Reporting Directive (CSRD) was adopted by the EU in April 2021 to meet its Paris Agreement climate change goals. In-scope companies (which includes those admitted to trading on an EU-regulated market, large EU companies and groups, and non-EU companies generating annual EU revenues surpassing €150 million, with an EU branch annual net turnover of €40 million) will have granular reporting requirements on their ESG activities which must be published alongside the company's financial statement. The key objective of the CSRD is to require businesses to increase transparency and accountability in their "green" reporting. These reporting requirements will come into effect on a staggered basis between 2024 and 2028 depending on the size of the relevant **entity or group**. The first reporting deadline applies to large companies or groups.

[Read about the CSRD large-size criteria.](#)



### **(mis)Conduct, Money & Reputation: A Look at Equifax, CrowdStrike & Cybersecurity**

*Hosted by Neil Robson*

In the [latest episode of \(mis\)Conduct, Money & Reputation](#), Katten Financial Markets and Funds Partner [Neil Robson](#) and David Masters of reputation specialists Lansons/Team Farner examine high-profile breaches such as the Equifax data scandal and NHS ransomware attack. They explore why these failures should be seen more widely as misconduct, common myths about cybercrime, debunking misconceptions about its targets and motives and how others are

addressing these challenges as digital threats evolve and in light of the recent CrowdStrike IT

outage. For most financial services firms it's about when and how often these attacks will come, not if. This episode provides a crucial guide for asset managers and financial services professionals to prepare for, mitigate against and avoid the reputational fallout that occurs when things go wrong. [Read about this \(mis\)Conduct, Money & Reputation podcast episode.](#)

## **FCA Consults on Proposals for the UK Wholesale Markets**

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



On 26 July 2024, the Financial Conduct Authority (FCA) published three consultations on the new Public Offers and Admission to Trading Regulations (POATR) regime (CP24/12); the new regime for public offer platforms (POPs) (CP24/13); and the derivatives trading obligation (DTO) and post-trade risk reduction (PTRR) services (CP24/14), (CP24/12, CP24/13 and CP24/14 together, the Consultations). Alongside the Consultations, the FCA published its final rules (Rules) that give asset managers greater freedom in how they pay for investment research, by allowing the “*bundling*” of payments for research and trade execution. The Consultations and Rules form part of a package of measures designed to help strengthen the UK’s capital markets and the UK’s and London’s position as a global financial centre. [Read about the Consultations and next steps.](#)



## **FCA Publishes Policy Statement on UK Overseas Funds Regime**

*By Neil Robson, Christopher Collins, Ciara McBrien*

On 17 July 2024, the FCA published a policy statement (PS24/7) setting out the final rules and guidance necessary to implement the UK’s Overseas Funds Regime (OFR). This follows the FCA’s December 2023 consultation on the implementation of the OFR (CP23/26). The OFR will be a new gateway through which certain collective investment schemes, domiciled in jurisdictions deemed to be equivalent to UK-domiciled funds by the UK Government, will be able to be marketed to UK retail investors. It is anticipated that in due course most European Economic Area (EEA) undertakings for collective investment in transferable securities (UCITS) and exchange-traded funds will be eligible for recognition under the OFR. [Read about the FCA’s final rules and guidance.](#)

## **Navigating Break Clauses in Commercial Leases: How to Avoid Breaking Bad**

*By Rhodri Preece, Gavin Vollans*

Exercising break clauses, which are typically included in commercial leases to allow the tenant or sometimes the landlord (and occasionally both parties) to terminate the lease prior to the natural end of its contractual term, can often prove to be a legal minefield. This advisory explains why strict adherence to any conditions and notice requirements for the operation of the break is paramount, as the Courts of England and Wales have historically taken a very strict interpretation against any failure to comply. [Read Katten’s advisory.](#)

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## **CONTACTS**

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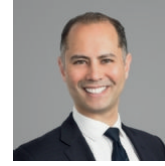
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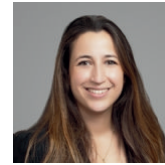
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