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UK Financial Insights from Katten

January 2025

FCA Consults on Second Phase of Enforcement Investigation Proposals

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

Following the UK Financial Conduct Authority (FCA)'s February 2024 consultation on changes to its Enforcement Guide and publicising enforcement investigations (CP 24/2) (First Consultation), the FCA has issued a further consultation on its proposals in November 2024 (CP 24/2, part 2) (Second Consultation). The Second Consultation sets out changes to the FCA's initial proposals in response to feedback from the First Consultation. The First Consultation outlined the FCA's proposed changes to how it publicises its enforcement investigations. The FCA aims to increase transparency about its enforcement work and its deterrent effect and to disseminate best practices. [Read about the FCA's Second Consultation.](#)



DORA Takes Effect: Key Next Steps for Firms

By Nathaniel Lalone, Ciara McBrien

After a two-year implementation period, the EU Digital Operational Resilience Act (DORA) took effect on 17 January 2025. DORA is part of the EU's Digital Finance Package and aims to strengthen the financial sector's ability to withstand and recover from operational disruption. Despite DORA coming into effect, many financial entities and information communication and technology (ICT) third-party service providers (TPPs) continue to work

towards DORA compliance. [Read about DORA compliance.](#)

UK and European M&A: Predictions for 2025

By Oliver Williams, Edward Tran, Charlotte Sallabank, Daniel Lewin, Alex Potten

2024 was a better year for mergers and acquisitions (M&A) in the UK and Europe than 2023, although overall growth in the market was slow. Deal numbers, by both absolute volume and aggregate deal value, remained far below the heights of 2021. As 2024 progressed, the macro environment was characterised by a decline in volatility. Across Europe and the UK, inflation figures fell to close to (and in some cases below)

Central Bank targets, various key elections worldwide came and went without, for the most part, causing significant unrest or uncertainty and economies showed signs of a soft-landing from the inflationary shocks of the immediate post-pandemic years. This backdrop and the hope that 2025 may offer greater political and economic certainty should lead to cautious optimism for 2025.

[Read Katten's advisory.](#)



2024 Has Been a Momentous Year for ESG

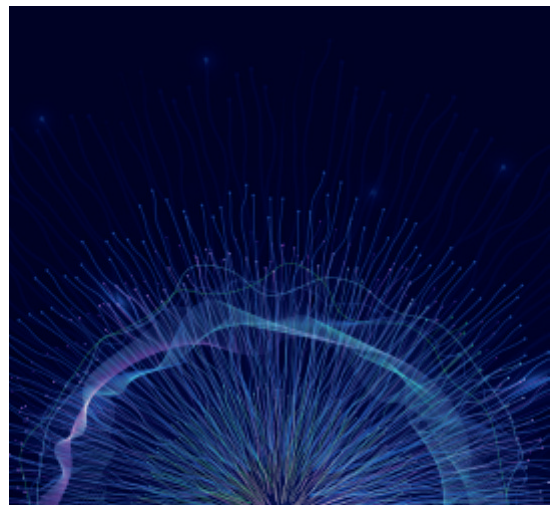
By Johnjerica Hodge, India Williams, Nicholas Gervasi

Published by *Law360*, this article looks over the course of 2024 and the significant developments in the environmental, social and governance landscape — including disclosure challenges, new legislation, evolving global frameworks, continued litigation and enforcement actions, and US Supreme Court decisions with the potential to affect ESG initiatives. [Read Katten's article.](#)

The European Data Protection Board Releases Opinion on Artificial Intelligence

By Trisha Sircar

On December 18, 2024, the European Data Protection Board (EDPB) issued an opinion on personal data use in artificial intelligence (AI) in response to the Irish Data Protection Commission's [request](#) for more clarity regarding how the EU General Data Protection Regulation (GDPR) applies to AI. [Read about the EDPB guidance.](#)



Is There a Storm Brewing? Unfair Dismissal – A Day One Right In the UK

By Christopher Hitchins, Brigitte Weaver, Emma Williams

The Employment Rights Bill is currently working its way through Parliament and is expected to be implemented in 2025. One of the key changes our clients are most concerned about is the



plan to make the right not to be unfairly dismissed applicable from day one of employment. This will make hiring and firing staff somewhat more challenging. [Read Katten's advisory.](#)

AccountingWEB Quotes Christy Wilson on Concerns Among Investors Following Budget Announcements

London Tax Associate Christy Wilson was quoted in an article by *AccountingWEB* about recent Budget announcements that have raised concerns among investors, particularly regarding the proposed rise in employer national insurance contributions (NICs). This change is expected to impact small businesses significantly, potentially making investors more cautious. [Read about Christy's comments.](#)



CONTACTS

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



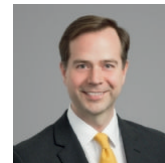
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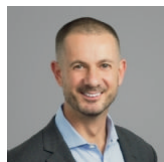
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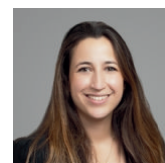
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