

**Minutes of the Meeting of the  
CITY OF LONDON LAW SOCIETY REGULATORY LAW COMMITTEE**

Held on Thursday 21 November 2024 at 12:30 pm

Conference call

<b>Present</b>	<b>Firm Represented</b>
Hannah Meakin (Chair) Anita Edwards (Committee Secretary) Joshua Creutzberg (solicitor non-member)	Norton Rose Fulbright
Brian McDonnell (Vice Chair)	McDonnell Ellis
William Robertson	Stephenson Harwood
Peter Bevan	Linklaters
Anthony Ma	CLSC/CLLS
Simon Morris	CMS
Kevin Hart	CLLS
Jake Green	Ashurst
Clive Cunningham	Herbert Smith Freehills

**APOLOGIES**

- Rob Moulton, Latham & Watkins
- Nick Bonsall, Slaughter & May
- Alex Ainley, Simmons & Simmons
- William Garner, Charles Russell Speechlys
- Matthew Baker, Bryan Cave Leighton Paisner

**A. MATTERS FOR DISCUSSION**

**A.1** Approval of minutes of October meeting

No objections to the minutes of the Committee meeting held on 17 October 2024 were raised.

**A.2** Confirmation of new member

The Committee welcomed Alex Ainley from Simmons & Simmons, who has joined the Committee since the last meeting but was unable to attend this meeting.

**A.3** Responses submitted since previous meeting

It was confirmed that the following responses were finalised and submitted since the October meeting:

- FCA Call for Input – Review of FCA requirements following the introduction of the Consumer Duty
- FCA CP24/13 – New regime for public offer platforms

#### **A.4 HoL Financial Services Regulation Committee call for evidence on FCA and PRA secondary international competitiveness and growth objective**

A draft response to this consultation had been prepared and circulated to the Committee prior to the meeting. It was confirmed that the latest draft incorporates all comments discussed during October's meeting as well as further comments received since. Members were invited to provide any further comments by Monday 25 November, so that the response could be finalised and submitted by the deadline of 29 November.

The Committee agreed that there is an opportunity to expand on some of themes in the draft in a response to HM Treasury's recently published consultation on the secondary objective.

#### **A.5 FCA CP24/21: Investment research payment optionality for fund managers**

A draft response to this consultation had been prepared and circulated to the Committee prior to the meeting. Members were invited to provide any comments on the draft via email following the meeting.

#### **A.6 FCA CP24/20: Changes to the safeguarding regime for payments and e-money firms**

Following an overview of the paper and some of the key issues it raises, Members discussed their views on the FCA's proposals. One issue raised was the proposed requirement for a *managing investments* permission to acquire secure liquid assets and the implications this would have for payment and e-money institutions. Another point raised was in relation to the proposed requirements for CASS audits and a concern that the nature and volume of payments and e-money activities could give rise to more and less material breaches than the FCA is used to from existing CASS firms. FCA guidance on good and bad practice was suggested as a way to ensure consistent understanding of what should be considered to be a breach.

It was confirmed that the Committee has been in contact with the CLLS Insolvency Committee regarding this paper, and that that Committee is working on a joint response with the Insolvency Lawyers Association, which will focus on the questions relating to statutory trusts. The Committee will continue to liaise with the Insolvency Committee whilst preparing its response.

The Committee also considered whether there are any potential links between these proposals and the regulator's growth and competitiveness strategy.

It was agreed that a Member would prepare and circulate a draft response to the Committee and would also consider the Insolvency Committee response to ensure consistency.

#### **A.7 PRA consultation papers on prudential matters**

It was noted that a Member had considered the following papers and prepared a document with suggested responses to each:

- PRA CP7/24 – The Strong and Simple Framework: The simplified capital regime for Small Domestic Deposit Takers (SDDTs)
- PRA CP8/24 – Definition of Capital: restatement of CRR requirements in PRA Rulebook
- PRA CP9/24 – Streamlining the Pillar 2A capital framework and the capital communications process

- PRA CP10/24 – Updates to the UK policy framework for capital buffers

The suggested responses were circulated to the Committee following the meeting. The Committee was invited to consider them and provide any comments via email, with a view to producing finalised responses ahead of the 12 December deadline.

## **B. POSSIBLE MATTERS FOR DISCUSSION AT THIS OR SUBSEQUENT MEETINGS**

Members were invited to consider their interest in responding to the following papers.

### **B.1 HM Treasury Consultation on Draft Legislation: Regulation of Buy-Now, Pay-Later**

The Committee agreed not to respond.

### **B.2 Treasury Committee inquiry: Acceptance of cash**

The Committee agreed not to respond.

### **B.3 HMT Call for Evidence – Financial Services Growth & Competitiveness Strategy**

One Member explained that this is a short paper from HMT but one which considers broad issues. The Committee agreed to share views by email in advance of the deadline for responses, with the aim of putting together a list of suggested areas for regulatory reform to encourage growth.

### **B.4 HoL Special Public Bill Committee: Call for evidence on the Property (Digital Assets etc) Bill**

The Committee agreed not to respond.

### **B.5 BoE CP - Amendments to the Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)**

The Committee agreed not to respond.

### **B.6 PRA CP13/24 – Remainder of CRR: Restatement of assimilated law**

The Committee agreed not to respond.

### **B.7 DWP / HMT consultation – Pensions Investment Review: Unlocking the UK pensions market for growth**

A Member volunteered to consider this paper with a view to preparing a draft response to discuss at the December meeting.

### **B.8 FCA and FOS Call for Input: Modernising the Redress System**

The Committee agreed not to respond.

### **B.9 FCA AI Input Zone**

The Committee agreed to find out whether this consultation is being covered by the CLLS AI Committee.

### **B.10 HMT consultation: UK Green Taxonomy**

The Committee agreed to find out whether this consultation is being covered by another CLLS committee.

#### **B.11 FCA DP24/2: Improving the UK transaction reporting regime**

A Member volunteered to consider this paper with a view to preparing a draft response.

#### **B.12 BoE consultation paper: Fundamental Rules for financial market infrastructures**

The Committee agreed not to respond.

#### **B.13 HMT Call for Evidence – Credit union common bond reform**

A Member volunteered to consider this paper with a view to preparing a draft response.

### **C. ANY OTHER BUSINESS**

**December meeting** – It was agreed that the Committee would proceed with its next meeting on 19 December.

#### **C.1 Discussion of market trends, questions, knowledge sharing – including the impact of the recent Court of Appeal Decision in Hopcraft, Johnson and Wrench**

The Committee agreed that the outcome of the case could open have repercussions in broader areas of financial services. Members agreed to consider some of these issues and hold a further discussion at the next meeting.

#### **C.2 Update on PISCES discussions with HM Treasury**

It was noted that some Members had been asked to attend a call with HM Treasury before Christmas to further discuss the proposed PISCES.

#### **C.3 Any other business**

LinkedIn: The Committee agreed to include short summaries of the two responses submitted since the last meeting on its LinkedIn page. It was also agreed that an end of year round up could be posted in December, flagging the Committee's activities during the year.

Next Committee dinner: A Member offered to host and arrange another Committee dinner in Q1 2025, to be discussed further at the next Committee meeting.