

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

Held on Thursday 16 January 2025 at 12:30 pm
Conference call

Attending	Firm Represented
Hannah Meakin (Chair) Anita Edwards (Committee Secretary) Joshua Creutzberg (Solicitor non-member)	Norton Rose Fulbright
Brian McDonnell (Vice Chair)	McDonnell Ellis
Clive Cunningham	Herbert Smith Freehills
Anthony Ma	CLSC/CLLS
Matthew Baker	Bryan Cave Leighton Paisner
Alex Ainley	Simmons & Simmons
Sam Brewer	Travers Smith
Rob Moulton	Latham Watkins
Jake Green Sidika Ulker (Solicitor non-member)	Ashurst
William Robertson	Stephenson Harwood

Apologies:

- Nick Bonsall (Slaughter and May)
- Kevin Hart (CLLS)
- Simon Morris (CMS)
- William Garner (Charles Russell Speechlys)

A. MATTERS FOR DISCUSSION

A.1 Approval of minutes of December 2024 meeting

No objections to the minutes of the Committee meeting held on 16 January 2025 were raised.

A.2 FCA and FOS Call for Input: Modernising the Redress System

The Committee discussed the draft response that had been prepared by one of the Members following the December meeting.

Members agreed with the key messages in the draft, including points around early identification of issues, finding an alternative mechanism for decision making about wider redress situations, and the use of section 404 type structures.

It was agreed that the draft would be finalised and submitted ahead of the 30 January deadline.

A.3 FCA CP24/27: Advice Guidance Boundary Review – proposed targeted support reforms for pensions

Members discussed their views on this paper. One global comment raised was that the proposals assume firms will be able to identify predefined consumer segments, identify issues that arise for each segment, and devise a ready-made solution that will lead to a better outcome for customers in that segment. Members noted that this approach may cause difficulties in defining liability and also suggested that a 'middle ground' approach could be considered where customers are left with some autonomy but given more targeted guidance. Members discussed whether this might result in firms not wishing to use the proposed approach.

Another area discussed was the terminology used in the proposals, with Members suggesting that the use of terms and concepts such as "appropriate" and "better outcomes" should be reconsidered and/or more clearly defined.

It was agreed that a draft would be prepared to reflect the various points raised at the meeting and would be circulated to Members for review ahead of the submission deadline.

A.4 FCA CP24/29: Private Intermittent Securities and Capital Exchange System: sandbox arrangements

It was noted that we are currently awaiting publication of the final legislation for PISCES. In the meantime, the Committee proposed to prepare a joint response to the FCA's consultation paper with the CLLS Company Law Committee.

Members discussed their views on the paper. Points raised included a need for more clarity around whether a PISCES would be considered a multilateral trading facility or not; the extent to which the market abuse regime will apply; and the proposed requirement on operators to provide notifications where they have reasonable suspicions that misleading statements have been made. The approach to financial promotions in relation to PISCES was also discussed, as well as concerns around the proposed disclosure requirements.

It was agreed that a draft would be prepared and circulated for comments ahead of the 17 February submission deadline.

A.5 FCA CP24/2, Part 2 – Greater transparency of our enforcement investigations

A draft outline response had been prepared in advance of the meeting.

The Committee discussed its proposed approach to responding to this paper and agreed to acknowledge the improvements in the FCA's revised proposals but to flag that the Committee has remaining concerns. The main concern raised was the broad powers that the FCA would have under the proposals, albeit that it does not plan to use them at this stage. The concern was that those powers could be used in the future.

It was agreed that a finalised version of the draft response would be prepared and circulated to the Committee.

A.6 FCA DP24/4: Regulating cryptoassets – Admissions & Disclosures and Market Abuse Regime for Cryptoassets

Members discussed their views on the paper. One point discussed was the use of certain aspects of existing market abuse regulation for traditional finance assets and whether this works practically for cryptoassets. Another point was the need for more clarity around territoriality.

The Committee also discussed the proposed disclosure standards, including how the financial promotions regime would apply to the disclosure/admission document; and also market abuse, noting that it would be helpful to further consider the proposals regarding information sharing across platforms to ensure any sensitivities such as tipping off and defamation laws are addressed.

Members also agreed that the Committee should note its support of some areas of the proposals, which were well thought out.

It was agreed that a draft response would be prepared and circulated ahead of the next meeting.

A.7 PRA and FCA joint consultation paper – Remuneration reform

Members discussed their views on this paper, noting that there are both positive and negative aspects of the proposals. The Committee welcomed the PRA and FCA's proposals to make the regime simpler, for example by reducing the number of material risk takers (**MRTs**) that dual regulated firms have in place, abolishing the category of higher paid MRTs, and other lower-level changes. It was noted, however, that there were some less positive proposed changes that would have some practical implications for firms.

Overall, Members agreed that the changes were largely positive and that the Committee should be supportive of those. However, it was agreed that a draft response should be prepared that agrees with those positive changes, but which suggests that it would be helpful if the FCA took the same approach to solo regulated firms.

A.8 FCA DP24/2: Improving the UK transaction reporting regime

A Member summarised the paper and suggested that the Committee's response should address two of the questions. One relates to the difficulties in determining when an instrument is traded on a trading venue – it was suggested that the Committee might state that it supports any approach that provides more certainty, although Members agreed to consider this following the meeting.

The other question that it was suggested the response should address related to the definition of a request for admission to trading.

It was agreed that a draft response would be prepared and circulated ahead of the submission deadline of 14 February.

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** BoE CP - Amendments to the Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)
- B.2** BoE CP – Revocation of the on-shored UK Technical Standard (UKTS) 2019/348 on Simplified Obligations
- B.3** BoE consultation paper: Fundamental Rules for financial market infrastructures
- B.4** FCA DP24/3: Pensions: Adapting our requirements for a changing market
- B.5** FCA CP24/24: The MiFID Organisational Regulation
- B.6** **FCA CP24/28: Operational Incident and Third Party Reporting**
- B.7** **BoE consultation – Operational resilience: operational incident and outsourcing and third-party reporting for financial market infrastructures**
- B.8** **PRA CP17/24 – Operational resilience: Operational incident and outsourcing and third-party reporting**

A Member volunteered to consider items B.6 to B.8.

- B.9** **FCA CP24/30: A new product information framework for Consumer Composite Investments**

A Member volunteered to consider this paper, and another offered to provide input.

C. ANY OTHER BUSINESS

C.1 Discussion of market trends, questions, knowledge sharing

C.2 LinkedIn page

C.3 In-person meeting dates for 2025: The Committee agreed to confirm dates post-meeting by email.

C.4 Any other business:

The Committee discussed arrangements for uploading historical responses to its website.

Members were invited to the CLLS Annual Banquet, details of which were to be circulated following the meeting.