

**Minutes of Meeting of the
City of London Law Society Regulatory Law Committee (the “Committee”)**

Held on Thursday 18 April 2024 at 12:30pm
via video conference

ATTENDEES

Present	Firm Represented
Brian McDonnell (Chair)	McDonnell Ellis LLP
Katie Stephen Anita Edwards (Committee Secretary) Joshua Creutzberg (solicitor non-member)	Norton Rose Fulbright
Matthew Baker	Bryan Cave Leighton Paisner
Rob Moulton	Latham Watkins
William Garner	Charles Russell Speechlys
Diego Ballon Ossio	Clifford Chance
Samuel Brewer	Travers Smith
Simon Morris	CMS
Kevin Hart	CLLS

APOLOGIES

- Hannah Meakin – Norton Rose Fulbright
- Nick Bonsall – Slaughter and May
- Anthony Ma – Grant Thornton
- Clive Cunningham – Herbert Smith Freehills

A. DISCUSSION OF MATTERS

A.1 Approval of minutes of February meeting

No objections to the minutes of the Committee meeting held on 21 March 2024 were raised.

A.2 FCA CP24/2: Our Enforcement Guide and publicising enforcement investigations - a new approach

Members discussed their views on the FCA’s proposals in CP24/2. Responses are due by 30 April 2024. A draft response had been prepared by a Member and circulated to the Committee ahead of the meeting, for discussion at the meeting.

The Committee discussed feedback that Members had received from clients regarding this consultation paper and agreed that people feel strongly about the proposals and want a robust response to be submitted.

One point that was raised as helpful to add to the response was international competitiveness (i.e. that the proposals are out of line with practices in other jurisdictions and this will impact on competitiveness). It was also flagged that the proposals are out of step with the PRA's approach to publicising enforcement investigations, meaning that the FCA would be out of step domestically as well as internationally and this could cause difficulties in joint FCA/PRA investigations.

Other points discussed include the FCA's current timeframes for dealing with enforcement cases, and the impact of the proposals on individuals (such as a firm's MLRO) and the potential impact of that on firms.

Members agreed that a revised draft of the response would be prepared and circulated to the Committee.

A.3 HMT consultation - Private Intermittent Securities and Capital Exchange System (PISCES)

Members discussed their views on this paper, for which an extended deadline for the Committee's response had been agreed with HMT, until 1 May 2024.

It was explained that the CLLS Company Law Committee (**CLC**) is also looking at this paper and is leading on preparing the response in some areas, with the aim of submitting a joint response to HMT.

The first point discussed in relation to the response was financial promotions and how the rules on this will work in PISCES. Issues flagged on this point included the application of exemptions, whether employees will be able to buy or only sell on PISCES, and downstream impacts on appropriateness and suitability.

A second point discussed was around liability and who would be 'policing' the new PISCES rules.

Thirdly, Members discussed the consultation questions on market abuse, noting that the CLC is leading on this part of the response. Issues considered included whether MAR should apply at all in relation to PISCES, and whether the proposals around transaction reporting would work in practice. A call has been arranged between a Member and representatives of the CLC to discuss points relating to MAR before the response is finalised.

Members agreed that a revised draft of the response would be prepared and circulated to the Committee once the CLC have provided their input.

B. POSSIBLE MATTERS FOR DISCUSSION AT THIS OR SUBSEQUENT MEETINGS

Members were invited to volunteer to lead the Committee's response to the following papers, and to discuss initial thoughts on the same.

B.1 BoE discussion papers on RTGS operating hours and access policies

B.2 FCA GC24/1: Proposed amendments to FG21/4 - Guidance for insolvency practitioners on how to approach regulated firms

B.3 FCA CP24/4: Further consultation on the regulatory framework for pensions dashboard service firms

B.4 **BoE and FCA joint consultation: Digital Securities Sandbox**

A Member volunteered to review this paper and consider whether the Committee should respond to it. Responses are due by 29 May 2024.

B.5 **FCA CP24/7: Payment Optionality for Investment Research**

Following the meeting, a Member volunteered to lead on preparing a response to this paper. Responses are due by 5 June 2024.

B.6 **HMT consultation – Improving the effectiveness of the Money Laundering Regulations**

It was noted that the CLLS has contacted two other CLLS Committees to ask whether they will be covering this paper.

B.7 BoE consultation – The BoE’s approach to enforcement: proposed changes to statements of policy and procedure following FSMA 2023

A Member noted that they would discuss this paper with colleagues who have been considering it and would report back to the Committee at the next meeting.

C. ANY OTHER BUSINESS

C.1 It was noted that the next meeting of the Committee would take place in person at the offices of Norton Rose Fulbright.

C.2 Two upcoming CLLS events were announced and Members were invited to attend.

C.3 A Member noted that they would be attending an FCA roundtable on cryptoassets regulation the following day on behalf of the Committee, and would report back to the Committee at the next meeting.