Hello. I’m Amanda Hale from Citi’s Global Trustee and Fiduciary Services Regulatory team.

And joining me to provide an update on the latest regulatory highlights are my colleagues,

Andrew Newson and Matthew Cherrill.

So, what do firms need to be aware of this month?

Starting with third-party risk management and oversight.

In Europe, the ESAs launched a consultation looking at the first batch of draft technical standards under DORA covering, for example, specifications for both full and simplified ICT risk management frameworks, and the classification of ICT-related incidents.

The consultation runs until the 11 of September, with the ESAs expected to submit draft technical standards to the European Commission during January 2024.

And looking at the same topic through a global lens, the FSB is consulting on a toolkit for financial authorities and financial institutions, as well as service providers, for their third-party risk management and oversight.

The toolkit aims to address three perceived needs:

- Firstly, to reduce fragmentation in approaches to third-party risk management, across jurisdictions and different areas of the financial services sector;
- Second, to strengthen institutions’ ability to manage third-party risks, and authorities’ ability to monitor and strengthen the resilience of the financial system;
- And finally, facilitate coordination among authorities, institutions and third-party service providers.

The deadline for responses to the consultation is the 22nd of August.

Mandy, no doubt, it’s been busy in the ESG space too.

Yes, the European Commission published the latest developments for its sustainable finance package.

The Package includes proposals for a new set of the EU Taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives under the Taxonomy Regulation.

The Commission has also adopted targeted amendments to the Climate Delegated Act which expands on economic activities – in particular in the manufacturing and transport sectors.

It has also adopted amendments to the EU Taxonomy Disclosures Delegated Act.

Finally, the Commission is proposing a Regulation to improve ESG ratings activities.

And then earlier in the month, the Commission published for consultation the first set of European Sustainability Reporting Standards specifying the information that undertakings are required to report in accordance with the Corporate Sustainability Reporting Directive.

In terms of what happens next.

The EU Taxonomy Delegated Acts are approved in principle and are expected to apply from January 2024.

On the proposal for a regulation of ESG ratings providers, the Commission will now engage in discussions with the European Parliament and Council.

The Commission will also consider feedback on the mandatory reporting standards before finalising them as delegated acts and submitting them to the European Parliament and Council.

Well, I think that's probably quite enough on the ESG front.

One for you both - Looking to the UK, what's on the immediate horizon?

Well, not that anyone probably needs reminding, but the Consumer Duty goes live at the end of July.

And in keeping with the regular updates the FCA have been providing firms during their implementation journeys, the FCA has highlighted from its Final Guidance ten key questions firms should be asking themselves to help identify and remedy any gaps or areas for improvement in their implementation plans.

Also to assist, the FCA published a new podcast explaining Consumer Duty outcomes monitoring. This adds further insight into the FCA's thinking and expectations of firms in this area.

And finally, on the same day, the FCA published the results of its Consumer Duty Firm Survey, conducted earlier this year. And whilst focused on sectors where financial services is not their primary business, the section on next steps for firms is relevant to all.

And finally, the FCA has published findings from its multi-firm review of liquidity management. This review looked at the liquidity management frameworks of 14 AFMs and the FCA details its findings and the good practices it observed.

The FCA states that all asset managers should take account of the findings, as many of the examples of good practice highlighted in the review will contribute to improved consumer outcomes and are consistent with the Consumer Duty.

Alongside the review's findings, the FCA published a Dear CEO Letter, where it states that it expects all AFMs and managers of AIFs to review their firms' liquidity management frameworks, consider the application of the findings, and make the necessary enhancements.

If you would like to learn more, you can follow the relevant links in our Bite-Sized publication, here we provide more information on the topics covered today and other regulatory developments.