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?

Well squaring-off what we covered last month, in the UK, the Consumer Duty is now live.

And to mark its arrival, the FCA has set out what this means for financial services customers and what they should do if their provider isn't meeting the new standards.

And in what should be helpful for asset managers, several days before the Consumer Duty went live, the FCA published the results of its 2022 Financial Lives survey, explaining, that for the latest iteration, it had added new questions to provide insights into how effectively firms were already meeting the requirements of the Consumer Duty before it came into force.

And as we enter BAU for the new regime, the FCA remind firms it will be closely monitoring how they are putting its new rules in place and take action against those that aren't following them.

And it's fair to say the next six months will be keenly observed, as the regulator's approach to enforcing the Consumer Duty unfolds.

[MH] Thanks Andy. Looking at crypto-asset regulation Matt, it's been a very busy month.

It certainly has.

BIS published a report reviewing the key elements of the crypto ecosystem and their structural flaws.

The report outlines policy options to mitigate the multiple risks crypto poses to investors, the traditional financial system, and the economy at large.

ESMA published its first consultation package under MiCAR - Europe's new crypto asset regulation – with proposed rules for crypto-asset service providers, in particular related to their authorisation, identification and management of conflicts of interests, and how providers should address complaints.

Still with MiCAR, the EBA hit the ground running by issuing two draft RTS and one draft ITS relating to the authorisation of firms involved in asset-referenced tokens, and a draft RTS on their complaints handling procedures.

The EBA also issued guiding principles to help firms involved in certain token activities prepare for the June 2024 application of the regulation.

Finally, the FSB published its global regulatory framework for crypto-asset activities to help promote a comprehensive and consistent approach to international regulation and supervision.

Mandy, turning to sustainability, have any themes emerged this month?

Argh in a word – I'd have to say 'disclosure'.

We saw the European Commission's adoption of, the European Sustainability Reporting Standards, under the Corporate Sustainability Reporting Directive;

The US Securities Exchange Commission have also been talking about climate risk disclosures;

Then there was a comparison of the IFRS Standard 2, the ISSB standard with the TCFD recommendations;

Along with several regulators endorsement of the ISSB Standards 1 & 2.

But one report I should really call out specifically was the FRC publication of a thematic review on the quality of TCFD climate-related metrics and targets disclosures which was done back in 2022.

As well as cross-cutting themes, the FRC report also had a section focusing on asset management disclosures and transition plans.

And finally, last month we reported on the publication of the UK FCA's multi-firm review and its Dear CEO letter on liquidity management. Matt, have there been any further developments in this space?

Yes.

In a double whammy for the regulation of fund liquidity management, both the FSB and IOSCO published consultations aimed at addressing structural vulnerabilities from liquidity mismatch in open-ended funds.

The FSB consultation proposes revisions to its 2017 Policy Recommendations and forms part of the it work programme on non-bank financial intermediation.

The goal of the revised recommendations is to strengthen liquidity management by open-ended fund managers compared to the current practice.

On the same day IOSCO published a consultation proposing guidance on the application of Anti-dilution Liquidity Management tools.

The proposed detailed guidance aims to support greater and more consistent use of these tools by the operators of open-ended funds – in both normal and stressed market conditions – to mitigate investor dilution and potential first mover advantage arising from structural liquidity mismatch.

So, if you would like to learn some more, you can follow the relevant links in our Bite-Sized publication, where we provide more information on the topics covered during our discussion today, and also other regulatory developments.