



Simmons & Simmons

Autumn Legal Update 2019

Financial Institutions and
Asset Management & Investment Funds Sectors

Wednesday 16 & Thursday 17 October

Full day training with 30 sessions to
select from across six streams

FinTech

Crypto – issues with Libra (and other systemic crypto projects) (10:00 – 11:00)

Crypto assets are going “big-time”. After the initial hype, the existing industry had settled into something of an equilibrium, but recent announcements by Governments and major global institutions threaten to change the face of the industry. Can Facebook’s Libra project succeed? Will much-promised central bank-backed stable coin projects come to fruition? This session will examine some of these new “mainstream” crypto projects, the hurdles they face, and their chances of success.

George Morris, Tom Harkus, Duncan Green

The future of RegTech (11:20 – 12:20)

Join us for an interactive panel session with some of the most exciting regulatory technology firms in the market. We will be discussing the ways in which RegTech is driving innovation and efficiencies within the industry and among regulators worldwide. The industry leading panel will share their views on the current state of the RegTech landscape and the potential impact of DRR (digital regulatory reporting) and other developments and the fundamental changes regulated firms need to make to be able to leverage these new technologies

Angus McLean, Sophia Adams Bhatti (Wavelength)

Digitisation and partnerships in financial services: something old, something new, or a recipe for the blues? (12:30 – 13:30)

Digitisation of financial services is hardly new, but new products are being brought to market at pace, either by firms dipping their toe in digital offerings, or bringing new products to new markets. Increasingly, firms are working in partnership to deliver offerings to new markets either to share expertise, access to licences or access to new markets. This session looks at tips and lessons for digitising financial services products, and delivering them in partnership between specialist financial services firms and unregulated firms based on our experiences of these projects.

Sophie Lessar, Hinal Patel

Smart contracts, blockchains and distributed ledgers: bridging the gap (14:30 – 15:30)

Smart contract, blockchain and distributed ledger technologies provide the foundation upon which myriad cryptoassets and enterprise transformation tools are being built. As such, they have the potential both to provide a fundamental new layer to the Internet’s infrastructure and to enable enterprises to share data and automate processes across their business ecosystem in a trusted manner without central control. But what are these technologies and how do they really work? In this session, our Blockchain Working Group answers these questions for those who would like a simple and yet robust introduction before highlighting some of the key legal issues.

Edoardo Tedeschi, Malcolm Smith

Financing for FinTech (15:50 – 16:50)

The securitisation of assets originated on marketplace lending platforms and by FinTech originators is becoming increasingly popular across the globe. This session will involve a discussion of the key legal, regulatory and practical issues involved in the securitisation of such assets in the European market.

Kate Cofman-Nicoresti, Vincent Engel, Jacqueline Pandji

Asset Management & Investment Funds

Choppy Waters: navigating the legal and regulatory risks of activism (10:00 – 11:00)

In this session, our team of experts will focus on the legal and regulatory issues associated with investor activism (including both long and short bias activism) as well as current trends. Topics to be covered include: takeover code compliance, market abuse, competition law, ESG regulation and major shareholding disclosure obligations.

Satyen Dhana, Darren Fox, Edward Baker

Seeing through the smog: ESG regulation for asset managers (11:20 – 12:20)

The EU's proposals for Environmental, Social & Governance (ESG) regulation will need to be the "next big thing" on asset management firms' radar for 2020 and beyond. This session will introduce and chart a course through the myriad proposals, and outline how the regulations will impact on your funds, documentation, marketing and investment strategies. We will share our suggestions for how to approach an implementation project and escalating key messages about ESG regulation within your firm.

Nicholas Colston, Lucian Firth

Hedge funds 2020...including SMCR (12:30 – 13:30)

A discussion of the key topics for hedge fund managers in the next 12 months including:

- Implementation of SMCR
- US regulatory developments
- Cayman economic substance requirements
- Irish fund developments
- Trends in fund terms.

Richard Perry, Lucian Firth, Sarah Crabb, Devarshi Saksena, Elaine Keane, Nicholas Colston, Patricia Poglinco (Seward & Kissel)

Institutional manager round up: a closer look at liquidity and an update on the Asset Management Market Study and other regulatory issues (14:30 – 15:30)

With Woodford rarely far from the headlines since early Summer, the management of liquidity risk and the liability mismatch for daily dealing funds holding private assets has become something of a political and regulatory football. We take a look at how we got here and what to expect next from regulators in this area.

We also take stock of where we are on the Asset Management Market Study and look at how some of the other hot topics of the day will affect UK-based investment managers of UCITS and/or UK regulated funds.

Neil Simmonds, Mahrie Webb, Catherine Weeks, Andrew Desmond, Tristram Lawton

Giving more while paying less - equity incentives for the asset management sector (15:50 – 16:50)

Incentivising employees in a tax efficient form has long been the holy grail for both employers and employees. Moreover, changes to partnership taxation have had a significant impact on the structures adopted by many managers, and the tax efficiency of the traditional forms of remuneration in the asset management space. This session will recap on the changes to the UK tax landscape that have affected many managers and provide solutions for organisations to deliver variable remuneration through equity awards, either in the management business or the fund(s) under management, in a tax efficient manner without compromising commercial objectives.

Martin Shah, Tair Hussain

Brexit

Labour intensive: a high impact scenario for all UK stakeholders (Wednesday 10:00 - 11:00; Thursday 11:20 - 12.20)

The scenarios described in the session *Steering Through The Brexit Fog* include the possibility of a Labour (led) government emerging later in 2019. Its programme marks potentially the most significant change of direction for UK policy for almost forty years. In this session we drill down to the likely implications for all stakeholders from manifesto commitments and policy recommendations ranging from nationalisation to land reform.

Andy Hartwill, Juliet Reingold, Martin Shah, Andrew Petry, Stuart Dutson, Cathryn Bean

Steering through the Brexit Fog (Thursday 10:00 – 11:00)

This year's Autumn Legal Update falls in potentially the most seminal week for financial institutions and all other stakeholders in the UK for many decades. Potential outcomes range from a Queen's Speech to a new rainbow coalition government via pathways leading to Hard Brexit. In this session we chart a course through that maze with practical advice for clients as to how best to anticipate the further twists in this already tangled story.

Charlotte Stalin, Catherine Weeks, Andy Hartwill

Key issues when operating through a new EU Hub (Wednesday 11:20 – 12:20; Thursday 12:30 – 13:30)

With the Brexit many regulated entities had to reconsider their setup and how they make sure that they can carry on with their business in the EU. One key aspect when establishing an EU hub is to adjust to the local requirements. Despite the high level of harmonisation throughout the EU there are still differences between the different countries. In this session we will highlight some of these differences with partners from other EU countries, and discuss ways to deal with them.

Jochen Kindermann, Rezah Stegeman, James McKnight, Charlotte Stalin

The effectiveness of English court judgments post Brexit – the view from Europe on potential practical difficulties and solutions (Wednesday 12:30 – 13:30; Thursday 14:30 – 15:30)

We will discuss the impact of a Hard Brexit on the enforcement of English judgments in Europe highlighting the new practical hurdles which could be faced by clients. The panel will focus on the differing approaches that could be taken in key European jurisdictions, and practical tips as to how to deal with such issues. We will also be joined by the Law Society who will provide an update on the current view they have received from local bar councils across Europe on the effect of a Hard Brexit.

Elizabeth Williams, Stuart Dutson, Stuart Doxford, Philippe Cavalieros, Leonardo Giani, Sascha Kuhn, Peter Meyer, speaker from The Law Society

UK regulation post Brexit (Wednesday 14:30 – 15:30; Thursday 15:50 – 16:50)

Details to be confirmed.

Future EU regulatory agenda – looking ahead without UK (Wednesday 15:50 – 16:50)

The UK contains the EU's largest financial centre, and several aspects of the EU financial regulatory framework are modelled on UK law. The UK's departure from the EU coincides with the emergence of IBOR discontinuation, building resilience and incorporating sustainability as the next main regulatory themes in Europe (in addition to dealing with Brexit itself). This session looks at how these themes will interact with the EU's regulatory agenda in the context of banking, capital markets and asset management.

Jochen Kindermann, Romeo Battigaglia, Derek Lawlor

IBOR

Waiting for the dawn? (10:00 – 11:00)

The panel will discuss themes examined in the key note address and the implications of the regulatory timetable and work programme for market participants to transition business from LIBOR to risk free rates.

James Grand and panel

Managing conduct and governance risks in the IBOR transition (11:20 – 12:20)

Managing regulatory risk is a key component of an IBOR transition plan. The FCA and PRA have highlighted the importance of firms effectively identifying and managing the conduct risks associated with the IBOR transition. This session will look at solutions for firms in managing the key risks including, for example, SMCR (how best to brief your senior manager and what metrics should they have, what can we learn from recent enforcements around Management Information), enforcement and litigation risks, prudential considerations and product governance under MIFID2.

Penny Miller, Elizabeth Williams, Rebecca Heller, Tom Makin

IBOR transition: product remediation workshop (12:30 – 13:30)

The workshop will look at the technical issues connected with analysing LIBOR exposure and documenting the transition to risk free rates in relation to ISDAs, bonds, loans, securitisation and market contracts.

James Grand, Marcin Perzanowski, James Taylor, Charles Hawes

IBOR transition: data, technology and design – the Legal Engineer's role (14:30 – 15:30)

Alongside legal expertise, the sensible application of technology, data and service design to your IBOR challenge is often the only practical way to approach the programme at scale. We call this legal engineering and advocate a way of working that is technology agnostic, collaborative and bespoke to your organisation. Topics we will cover in this workshop include:

- IBOR product categorisation and generating search terms for initial discovery.
- Creating extraction terms for major product groups and the application of text extraction tools (including the use of skilled lawyers to help generate well-formed and accurate data).
- Generating a database of your IBOR exposure, storing the IBOR inventory, and query and analysis.
- Data analysis and the visualisation layer – using design thinking and tools to allow users to interface with and efficiently assess the data.
- Remediation, including repapering, negotiation and (e-signature) execution.

Peter Lee (Wavelength), Ben Ridgway (Wavelength), Struan Britland (Wavelength), George Morris (eSignatures)

IBOR transition: challenges for asset managers (15:50 – 16:50)

In this session we will look at how IBOR cessation will affect asset managers. We will consider the legal and operational impact for asset managers, good project planning and the expectations of regulators. We will also discuss fiduciary duty, effective governance and litigation risk from the buy-side perspective in the context of IBOR.

Craig Bisson, Elizabeth Williams, Peter Lee (Wavelength)

Regulatory

Operational resilience and outsourcing: out of sight and out of mind? Rising to the challenge (10:00 – 11:00)

The ability of financial services firms to manage operational disruption is a priority for regulators. A key issue for operational resilience is outsourcing, and EBA's new guidelines on outsourcing impose new requirements on how banks, investment firms and e-money and payment institutions carry out this common activity, including between affiliates. This workshop explores how to achieve operational resilience from the perspective of financial regulation, culture, supply chain and infrastructure and focusses on practical steps a firm can take to comply with the new outsourcing requirements.

Alex Ainley, Andrea Finn, Derek Lawlor, Rosali Pretorius, James Cotter

Stopping solvency abuse: the new EU prudential regime for investment firms (11:20 – 12:20)

The new EU prudential regime for investment firms (the IFR/IFD) will have a wide-ranging impact. It marks a step away from the Basel capital accords to a regime created specifically with investment firms in mind. Whether your firm is on the sell-side or buy-side, or is based in the UK or EU, it is likely to be affected in some way. This workshop provides an accessible introduction to the new regime, and will consider its impact on capital, liquidity and how you remunerate your staff.

Darren Fox, Rosali Pretorius, Malcolm Smith

Retail structured products: Keeping pace with a year of rapid change in regulation (12:30 – 13:30)

The session provides an overview of recent regulatory developments impacting the structured products market. The session will feature external commentary from the UK Structured Products Association. Topics include:

- Prospectus Regulation: New disclosure requirements introduced by the new Prospectus Regulation.
- Advertisements: New rules on advertisements, which affect communications and marketing.
- Product intervention measures: Product intervention measures which ban or regulate certain products that firms can offer to retail clients.
- Cryptocurrencies: Proposed regulation of products linked to cryptocurrencies.
- Other key changes: Other relevant developments including IBOR discontinuation.

Charlotte Rendle, Catherine Foldberg Moller, Michael Dodson, Zak de Mariveles (UK Structured Products Association)

Developments in derivatives (Wednesday 14:30 – 15:30)

A look at the major forthcoming developments in the derivatives and trading space, including Brexit, clearing, initial margin, the EMIR Refit and SFTR.

Allan Yip, Craig Bisson

Funds finance: recent developments and a European perspective (Wednesday 15:50 – 16:50; Thursday 14:30 – 15:30)

This session looks at a combination of ILPA update, German insurers, developments in Luxembourg and the state of funds finance in Italy and France.

Jen Yee Chan, John Sayers, Louis-Mael Cogis, Nicholas Lasagna, Wolfgang Kotzur, Celine Larmet

Future EU regulatory agenda – looking ahead without the UK (Thursday 15:50 – 16:50)

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Jochen Kindermann, Romeo Battigaglia, Derek Lawlor

Financial Institutions

Cyber crisis: are you ready to respond? (10:00 – 11:00)

It's a Board's worst nightmare. Online banking systems are down, and an anonymous individual demands millions of pounds or crypto-currency for the renewal of operations. How should your firm respond?

This session will explore the implications of a malicious cyber incident and the ensuing crisis for financial services firms, including:

- practical steps for notifying key stakeholders, regulators, and insurers in the immediate aftermath;
- handling concurrent regulatory investigations;
- dealing with insurers and potential coverage issues; and
- the potential for regulatory fines, third party claims and reputational harm.

Paul Baker, Robert Allen, Alix Boberg, Felix Zimmermann

Culture for Regulated Firms (Wednesday 11:20 – 12:20)

Culture and how the FCA expects firms to manage and measure it, including an examination of 4 key drivers: Purpose, Leadership, Rewarding and Managing People and Governance. Emma Sutcliffe will discuss how culture is regulated, what the FCA expects from regulated firms and she will discuss what "good culture" looks like and what firms can do practically to improve their culture.

Emma Sutcliffe

Culture for Regulated Firms – the FCA's view (Thursday 11:20 – 12:20)

David Blunt, Head of the Conduct Specialists Department in Supervision at the FCA on Culture and how the FCA expects firms to manage and measure it, including an examination of 4 key drivers: Purpose, Leadership, Rewarding and Managing People and Governance. They will set out the FCA's view of how it regulates culture, what it expects from regulated firms, discuss what "good culture" looks like and what firms can do practically to improve their culture.

Emma Sutcliffe, David Blunt (Financial Conduct Authority)

Culture Conduct Rules and Trends (12:30 – 13:30)

Banks have been grappling with what amounts to a conduct rule breach for three years and firms coming into the SM&CR will need to do so from December 2019. This session looks at some of the difficulties in assessing conduct rules, where to draw the line, what to report, what is a fitness and propriety issue, and what trends we are seeing in the industry, including on non-financial misconduct and behaviours less closely connected with the workplace.

Emma Sutcliffe

#MeToo – navigating allegations (14:30 – 15:30)

Two years since the #MeToo movement went viral, we look at the legal, regulatory and reputational issues, including the controversy around NDAs. We will draw on our practical experience of handling sensitive investigations and harassment claims.

Julian Taylor, Cathryn Bean, Emma Sutcliffe, Clare Allen

The European data protection revolution: 18 months on (15:50 – 16:50)

This session looks at the opportunities, trends and threats that have emerged in the 18 months since the implementation of the General Data Protection Regime. The new landscape has helped to illustrate the opportunities in data monetisation, but also the challenges continuing compliance with the regulations and related laws present. The past few months have also seen significant enforcement action taken by data protection supervisory authorities and we will consider what implications this has for data controllers. The session will analyse where we are, and what is on the horizon, with reference to the UK, France, Germany and Italy.

Lawrence Brown, Robert Allen, Sarah Bailey, Sascha Kuhn, Edoardo Tedeschi, Alex Brown

Quick Reference Guide

Wednesday 16 October 2019

	FinTech	AM&IF	Brexit	IBOR	Regulatory	FI
08:30 – 09:00	Registration and Breakfast					
09:00 – 09:50	Welcome and Keynote speech - Brexit: the latest state of play Denzil Davidson, formerly Theresa May's Special Advisor on Europe					
Session 1: 10:00 – 11:00	Crypto – issues with Libra (and other systemic crypto projects)	Choppy Waters: navigating the legal and regulatory risks of Activism	Labour intensive: a high impact scenario for all UK stakeholders	IBOR transition : waiting for the dawn?	Latest on EBA outsourcing guidelines and operational resilience consultation	Cyber crisis: are you ready to respond?
11:00 – 11:20	Coffee Break					
Session 2: 11:20 – 12:20	The future of RegTech	Seeing through the smog: ESG regulation for asset managers	Key issues when operating through a new EU Hub	Managing Conduct and governance risks in the IBOR transition	Prudential regulation - new IFR and IFD	Culture for Regulated Firms
Session 3: 12:30 – 13:30	Digitisation and partnerships in financial services: Something old, something new, or a recipe for the blues?	Hedge funds 2020...including SMCR	The effectiveness of English court judgments post Brexit – the view from Europe on potential practical difficulties and solutions	IBOR transition: product remediation workshop	Retail structured products: Keeping pace with a year of rapid change in regulation	Culture Conduct rules and trends
13:30 – 14:30	Lunch					
Session 4: 14:30 – 15:30	Smart contracts, blockchains and distributed ledgers: bridging the gap	Institutional manager round up: a closer look at liquidity and an update on the Asset Management Market Study and other regulatory issues	UK regulation post Brexit	IBOR transition: data, technology and design – the Legal Engineer's role	Developments in derivatives	#MeToo – navigating allegations
15:30 – 15:50	Coffee Break					
Session 5: 15:50 – 16:50	Financing for FinTech	Giving more while paying less – equity incentives for the asset management sector	Future EU regulatory agenda – looking ahead without UK	IBOR transition: challenges for asset managers	Funds finance: recent developments and a European perspective	The European data protection revolution: 18 months on
Session 6: 17:00 - 17:45	How can we be more disruptive in our approach to diversity? Diversity and Inclusion panel discussion			Making the future present Horizon scanning panel discussion		
17:45 – 19:30	Canapés and drinks					

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