

Quick Updates From the UK and Europe

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There's been a flurry of regulatory activity in the UK and Europe over the past few weeks. Here's a look at the highlights.

- The EU has renewed its determination that the solvency regime for US-headquartered insurers and reinsurers is equivalent to that of Solvency II. **Commission Delegated Decision 2024/872** was published in the Official Journal of the European Union on 7 June and runs until 31 December 2035.
- In a **Notice of First Decision** dated 17 May 2024, the UK's Financial Conduct Authority ("FCA") is requiring ICE Benchmark Administration Limited ("IBA") to continue publishing: (1) 1-month US Dollar LIBOR; (2) 3-month US Dollar LIBOR; and (3) 6-month US Dollar LIBOR on a synthetic basis. Having originally required IBA to continue publication on a changed synthetic methodology for an initial extension period of a year after 30 June 2023, the FCA is extending this period of compulsion until 30 September 2024. The reason given is to ensure the cessation of US Dollar LIBOR can be effected "*in an orderly fashion.*"
- The International Organization of Securities Commissions ("IOSCO") has published its Final Report on "**Leveraged Loans and CLOs Good Practices for Consideration.**" While substantially the same as the consultation draft (see our note on this [here](#)), IOSCO has made certain refinements to its recommendations to reflect feedback, including removing its recommendation relating enhanced risk factor disclosures. As a reminder, IOSCO's good practices are neither standards or recommendations per IOSCO's taxonomy.
- The Council of the EU has announced that it has adopted CRD VI, which covers supervisory powers, sanctions, third-country branches and ESG risks (see our note on CRD VI and third-country branches [here](#)) and CRR III. The latter speaks to requirements for credit, CVA, operational and market risk as well as the 'output floor' set out in Basel 3.1 measures.