**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?**

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In the US, the SEC has adopted amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds, including those that are also registered with the CFTC as commodity pool operators or commodity trading advisers.

And what do the amendments aim to achieve?

They are designed to enhance the ability of the Financial Stability Oversight Council to monitor and assess systemic risk and to bolster the SEC's oversight of private fund advisers and the agency's investor protection efforts. The regulators also agreed to an MoU related to the sharing of Form PF data.

The SEC has also stated that the amendments to Form PF will enhance how large hedge fund advisers report fund information to provide better insight into the operations and strategies of these funds and their advisers and improve data quality and comparability.

The SEC says that the amendments will require additional basic information about advisers and the private funds they advise,

to provide greater insight into private funds operations and strategies, to assist in identifying trends, including those that could create systemic risk, to improve data quality and comparability,

and to reduce reporting errors.

Will those amendments to Form PF also require more detailed information?

Yes, they will, relating to investment strategies, counterparty exposures, and trading and clearing mechanisms employed by hedge funds,

while also removing duplicative questions, to provide greater insight into hedge funds operations and strategies, to assist in identifying trends, and to improve data quality and comparability.

The requirements will become effective one year after publication in the Federal Register, noting that the compliance date for the amendments is the same as the effective date.

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Looking to Southeast Asia, in Singapore,

the 4th ASEAN Digital Ministers Meeting

welcomed the endorsement of the ASEAN Regional Computer Emergency Response Team (CERT) Financial Model

which concludes the discussion on the ASEAN Regional CERT implementation details

as a key initiative under the ASEAN Cybersecurity Cooperation Strategy 2021-2025.

It's aimed at promoting and facilitating information-sharing related to cyber incident response,

and to complement the operational efforts by individual CERTs in each ASEAN Member State,

the Regional CERT will further strengthen regional cyber resilience,

including through timely information sharing,

exchange of best practices

and capacity building initiatives to bolster the overall effectiveness of incident response capabilities.

Have there been any comments from ASEAN member states?

There was a statement issued by the Cyber Security Agency of Singapore, which has been working closely with other ASEAN members, covering the financial model, described as

supporting joint training sessions,

cybersecurity exercises and

networking of National CERTs with INTERPOL, industry, and academia,

as well as providing information on industry cyber threats to all ASEAN Member States.

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In the EU, the European Council adopted a new directive that amends the A-I-F-M-D and UCITS Directive.

The new rules aim to enhance the integration of asset management markets in Europe and modernise the framework for key regulatory aspects, such as the use of liquidity management tools, the introduction of loan originating AIFs, and enhanced rules for delegation by investment managers to third parties.

Other key components of the new rules include: improved data sharing and cooperation between authorities, new measures to identify undue costs that could be charged to funds, and hence their investors, as well as preventing possible misleading names.

The directive will shortly enter into force and member states will have 24 months to transpose the rules into national legislation.

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Also in Europe, the Swiss Financial Market Supervisory Authority – FINMA – announced the launch, from 1 March this year, of a new category of fund.

What can you tell us about that?

The new Limited Qualified Investor Fund, or L-QIF, is a collective investment scheme that does not require authorisation or approval, and is not supervised by FINMA, although the Swiss Federal Department of Finance will maintain a public register of all L-QIFs.

To be eligible, L-QIFs must be offered solely to qualified investors and managed by entities that are supervised by FINMA.

To ensure transparency, a fund must state, on the front page of the fund documents and in any advertising, that it is a Limited Qualified Investor Fund or L-QIF.

The fund's exemption from authorisation, approval and supervision by FINMA must also be made clear to investors.

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Turning to the UK, the FCA published a review of the implementation of the Consumer Duty – detailing good practices and areas for improvement.

The FCA says that the publication builds on its review of firms' implementation plans and their fair value frameworks, and its previous communications.

The FCA reminds firms of the consumer outcomes required by the Duty, sets out good practice, including in response to the FCA's early supervisory work, to deliver these outcomes, and highlights areas for improvement where firms have more to do.

So, what areas have been highlighted?

- The FCA have grouped Culture, governance and monitoring as one area;
- Then Consumers in vulnerable circumstances as the second;
- And then the next four areas follow the Duty's outcomes, so Products and services;
- Price and value;
- Consumer Understanding; and
- Consumer support.

And with just over seven months since the Duty went live at the end of July, the FCA says firms should consider its findings and continue to make improvements in line with good practice.

And where firms identify gaps, these should be addressed.

The FCA states that the findings may be useful for firms when considering what changes they need to make to meet the upcoming 31 July 2024 implementation deadline for closed products and services.

Also, alongside the review of good practices and areas for improvement,

the FCA published details of a survey of 634 firms and their implementation of the Duty.

The survey covered the second of three waves of monitoring firms'

progress and challenges to implementing the Duty.

This wave, taking place two months after the implementation of the Duty,

focuses on compliance and action taken in response to the new regime.

The FCA says it was particularly interested in how smaller firms

had implemented the Duty

and whether firms had made changes to their consumer contracts and financial promotions.

Looking ahead, the FCA says that it is working to check that firms are fully embedding the Duty and delivering good outcomes. Where it sees shortcomings, the FCA says it will take an assertive and active approach, including:

- Thematic work considering issues and harms that arise across multiple retail markets, followed up by sector specific interventions where appropriate;
- Multi-firm work within sectors where the FCA has concerns and sees common themes and risks; and
- Interventions where the FCA has concerns about the approach individual firms have taken to implement the regime and the outcomes they are delivering for their customers.

**If you would like to learn some more about the topics we discussed today, as well as other regulatory developments, you can follow the relevant links in our Bite-Sized publication.**