

**Minutes of Meeting of the
City of London Law Society Regulatory Law Committee (the "Committee")**

Held on Tuesday 11 July 2017 at 12.30pm
at Exchange House, 12 Primrose Street, London EC2A 2EG

ATTENDEES

Present	Firm Represented
Karen Anderson (chair)	Herbert Smith Freehills LLP
Tim Dolan	Reed Smith LLP
Richard Everett	Travers Smith LLP
Robert Finney	Holman Fenwick Willan LLP
William Garner	Charles Russell Speechlys LLP
Mark Kalderon	Freshfields Bruckhaus Deringer LLP
Stuart Willey	White and Case LLP
Kevin Hart	City of London Law Society

1. MINUTES OF PREVIOUS MEETING

The minutes of the meeting of the Committee held on 13 June 2017 were approved.

2. FCA SUPERVISION REVIEW REPORT ON ACQUIRING CLIENTS FROM OTHER FIRMS

The Committee discussed the draft response prepared by a member which considered the view expressed in the report on the validity of a contract when a new firm undertakes services for clients in the light of the law of assignment and novation. A further draft would be circulated to the Committee for review and comment, before submission to the FCA.

3. HMT GUIDANCE ON SANCTIONS

The Committee discussed the paper and it was decided that the Committee would not submit a response.

4. EBA CONSULTATION PAPER ON RTS ON SIMPLIFIED OBLIGATIONS UNDER BRRD

The Committee discussed the consultation paper and it was decided that the Committee would not submit a response.

5. MIFID II IMPACT ON THE CORPORATE FINANCE EXEMPTION

The Committee considered the potential effect of MiFID II on the corporate finance exemption, in particular in the context of capital markets transactions.

It was noted that this had been an issue on which no clear consensus had been reached under MiFID I. The FCA's implementation proposals contemplate retention of the exemption. There was no certainty that regulators elsewhere in Europe would necessarily adopt a similar approach, and clients were accordingly concerned to understand whether in practice they could continue to rely on

it, in particular elsewhere in Europe. The Committee proposed to discuss the issue further once members had had an opportunity to consider their own house view.

6. **ESMA OPINION ON GENERAL PRINCIPLES OF SUPERVISORY CONVERGENCE IN THE CONTEXT OF THE UNITED KINGDOM WITHDRAWING FROM THE EUROPEAN UNION**

The Committee briefly discussed the opinion, and while it was noted that it raised some interesting issues, it was decided that the Committee would not submit a response.

7. **FCA ASSET MANAGEMENT MARKET STUDY AND CONSULTATION PAPER**

The Committee discussed the market study and consultation paper. It was decided that since the issues raised were focused predominantly on industry practice rather than on legal interpretation, the Committee would not submit a response.

8. **FCA CONSULTATION PAPER ON MIFID II IMPLEMENTATION (CONSULTATION PAPER VI)**

The Committee considered the proposals in the consultation paper. It was decided that members would consider further whether the Committee should draft a response on the proposals relating to the FSCS rules, and the Decision Procedure and Penalties Manual and Enforcement Guide.

A member noted that there was still some uncertainty as to whether the definition of OTF was broad enough to catch all voice brokers, and advised that the FCA's clarification was being sought. The Committee would be informed of the outcome of that initiative.

9. **FCA POLICY STATEMENT ON MIFID II IMPLEMENTATION**

The Committee reviewed a draft letter prepared by a member regarding the use in the FCA Handbook of defined terms connected with the MiFID concept of "*equivalent third country business*". The Committee considered that the FCA should be asked to provide clarification on the definition of "*MiFID, equivalent third country or optional exemption business*". The draft letter would be revised and circulated to the Committee for review and comment before submission to the FCA.

10. **AOB**

10.1 **August Meeting**

The Committee decided that the availability of the wider Committee would be obtained before determining whether a meeting should be held in August.

10.2 **Annual CLLS Lifetime Achievement Award**

The CLLS requested that the Committee consider nominating an individual for the Annual CLLS Lifetime Achievement Award.



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Karen Anderson
Chair, CLLS Regulatory Law Committee