

**Minutes of Meeting of the
City of London Law Society Regulatory Law Committee (the "Committee")**
Held on Tuesday 12 June 2018 at 12.30pm
at Herbert Smith Freehills LLP, Exchange House, 12 Primrose Street, London, EC2A 2EG

ATTENDEES

Present	Firm Represented
Karen Anderson	Herbert Smith Freehills LLP (chair)
Peter Bevan	Linklaters LLP
Richard Everett	Travers Smith LLP
Tamasin Little	Reed Smith LLP
Brian McDonnell	Addleshaw Goddard LLP
Stuart Willey	White & Case LLP

1. MINUTES OF PREVIOUS MEETING

The minutes of the meeting of the Committee held on 8 May 2018 were approved.

2. FCA CALL FOR INPUT ON USING TECHNOLOGY TO ACHIEVE SMARTER REGULATORY REPORTING

The Committee briefly discussed the updated draft response circulated by a member ahead of the meeting. The key aims of the response were to welcome the use of technology for regulatory reporting in appropriate cases, and to note that the use of technology should not displace existing governance processes at the FCA for rule-making. Final comments were invited from all members ahead of submission shortly after the meeting.

3. BREXIT

The Chair noted that she had received an invitation from the FMLC to attend a meeting with representatives of CLLS, the Brexit Law Committee and the IRSG to discuss Brexit.

Given the wide range of groups engaging with HMT, the Committee concluded that it would not seek to engage direct with HMT in relation to Brexit, unless members had specific issues to raise.

It was noted that there was likely to be only a very short period for consultation over the summer for new SIs produced after the Withdrawal Bill is passed, including those which relate to financial services.

4. FCA GUIDANCE CONSULTATION ON NEW CHAPTER TO THE FINANCIAL CRIME GUIDE ON INSIDER DEALING AND MARKET MANIPULATION

The member who was considering the Committee's response could not be present. It was noted that two particular areas of concern were the erroneous quoting of SYSC requirements as requiring the "prevention" of market abuse, and the introduction of a requirement to refuse to execute orders where there was a "clear risk" of market abuse (and the implications of imposing such a test).

It was agreed that the member would circulate their response on the guidance consultation for comment promptly.

5. EUROPEAN COMMISSION CONSULTATION ON PROPOSED DIRECTIVE ON THE PROTECTION OF PERSONS REPORTING ON BREACHES OF EU LAW

A member summarised the key issues under the new proposed directive, in particular the scope of application which was potentially broader than the whistleblowing regime UK financial services

firms were already subject to. In particular, the scope of the directive includes actual or potential "abuse of law", defined as "acts or omissions which do not appear to be unlawful in formal terms but defeat the object or the purpose pursued by the applicable rules" which was extremely broad.

It was decided that a member would prepare a short response on the directive and circulate to members for review and submission before the next meeting.

6. FCA DISCUSSION PAPER ON EX POST IMPACT EVALUATION FRAMEWORK

The Committee briefly discussed the discussion paper. The members broadly welcomed the proposals, as it was noted that it would likely lead to greater accountability for the FCA's interventions. It was decided that the Committee would not submit a response.

7. OTHER CONSULTATIONS TO WHICH THE COMMITTEE MAY WISH TO RESPOND

The Committee discussed other papers currently open for consultation to decide whether or not it may wish to respond. It was decided that a member would review the FCA guidance consultation on fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015 with a view to submitting a consultation response:

8. AOB

8.1 CLLS Membership

In view of her impending retirement, Tamasin Little (Reed Smith LLP) tendered her resignation from the Committee effective as of the end of the June meeting. The Committee thanked her for her lengthy and valuable contribution to the Committee during her membership.



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Karen Anderson
Chair, CLLS Regulatory Law Committee