

FCA and SEC Sign Updated Memoranda of Understanding

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On March 29, the UK Financial Conduct Authority (FCA) issued a press release announcing that it has signed two updated memoranda of understanding (MOUs) with the Securities and Exchange Commission. Both MOUs aim to ensure the continued ability of the United Kingdom and the United States to cooperate and consult with each other regarding the effective and efficient oversight of regulated entities across national borders.

The first MOU is a comprehensive supervisory arrangement covering regulated entities that operate on a cross-border basis. Among other things, the MOU has been updated to expand the scope of covered firms under the MOU to include firms that conduct derivatives, credit rating and derivatives trade repository businesses. This is to reflect the post-financial crisis reforms related to derivatives, and the FCA's assumption of responsibility from the European Securities and Markets Authority (ESMA) for overseeing credit rating agencies and trade repositories in the event of the United Kingdom's withdrawal from the European Union (Brexit).

The second MOU, which is required under the UK Alternative Investment Fund Managers Regulations, provides a framework for supervisory cooperation and exchange of information relating to the supervision of covered entities in the alternative investment fund (AIF) industry. It ensures that, regardless of the outcome of Brexit, investment advisers, fund managers, private funds and other covered entities in the AIF industry that are regulated by the SEC and the FCA, will be able to continue to operate on a cross-border basis without interruption.

The MOUs will go into effect on the same date as when EU legislation ceases to have direct effect in the United Kingdom.

The FCA's press release is available [here](#).

National Law Review, Volume IX, Number 97

Source URL: <https://natlawreview.com/article/fca-and-sec-sign-updated-memoranda-understanding>