ViewPoint

BlackRock

Regulatory Developments in the EU and the UK: Midyear 2024 Outlook


Joanna Cound
Managing Director
Public Policy


Antony Manchester
Managing Director
Public Policy


Carey Evans
Managing Director
Public Policy


Sofia Garrido
Associate
Public Policy


Pantea Kalantary Rad
Associate
Public Policy


Nancy O'Neill
Associate
Public Policy


Francesca Bluck
Associate
Public Policy


Jonas Lang
Analyst
Public Policy

Additional contributors: Martin Parkes, Johannes Woelfing, Sarah Matthews, Corentin Couvidat, Laetitia Boucquey, Nick Viney, Adam Jackson, Muirinn O'Neill, Krishan Sapra, and Georgina Uwaifo.

Introduction

2024 has seen further macroeconomic volatility and geopolitical instability, a new norm we are all getting used to. Although some of the most pressing concerns in Europe in 2023 – such as the energy crisis or rapidly rising inflation – have subsided, the political fallout of the cost-of-living crisis persists, and geopolitical conflicts and re-alignments create additional uncertainty. We expect these forces to shape not just market views on investment and asset allocation, but equally policymakers' agendas for the months and years ahead.

As the BlackRock Investment Institute's (BII) Macro Outlook 2024[1] notes, increased inflation, higher interest rates, and higher sovereign debt levels have put Europe – both the UK and the EU - on a weaker growth trajectory than in previous decades. Slower growth is putting pressure on public finances at the same time as Europe faces critical economic and security challenges requiring significant spending and investment. This means policymakers are looking for new ways to bolster the financing of their economies, leading to a more prominent debate on investment, the growth of markets, and the role of private capital.

Political change in both the UK and EU is likely to shape how Europe confronts these challenges in the coming years.

While elections will shape the broader strategic direction, we expect that a number of specific policy priorities are likely to remain on the agenda irrespective of the outcomes, including:

- A **re-focus on competitiveness** has pushed capital markets up the list of political priorities, with both the UK and EU looking at new **ways to grow their capital markets** to underpin the attractiveness of their respective financial centres and to provide a complementary source of funding to traditional bank finance.
- Bringing more citizens into the market as first-time investors will be a central part of those discussions, as governments aim to **improve citizens' long-term financial well-being**.
- An increased focus on Europe's demographic challenges[2] where we expect more policy proposals at European, but also national level on the need to **prepare citizens for retirement**.
- In this mix, finding **ways to fund the transition to a net zero economy** will remain a critical issue for policymakers as we approach political climate targets.
- Finally, **financial stability** remains a priority, with increased policymaker focus on non-banks and new asset classes. In particular, policymakers and regulators around the world are focused on liquidity, leverage, and interconnectedness with other sectors of the real economy.

blackrock.com/publicpolicy

European Union

2024 is a pivotal year for the EU. The early part of the year saw a flurry of activity as policymakers raced to finalise outstanding legislative files before the Parliamentary term ended in April. Following the European Parliament elections on 6-9 June, a new European Commission will be appointed and confirmed in the autumn. In late autumn and into the beginning of 2025, we will likely see a resurgence of activity as new legislative proposals and initiatives are introduced, and unfinished files from the last mandate are reopened.

The political debate taking place in 2024 against the backdrop of the changes in the EU institutions will set the Union's strategic direction and priorities for the next five years. **We expect that effort to build the Capital Markets Union will remain a top priority in the financial services space, as will continued work on the sustainable finance agenda and further focus on digitalisation.**

United Kingdom

On 5th July, following a General Election Labour formed a new government taking over from the Conservative Party for the first time in 14 years.

The UK and EU face common challenges for the most part, though the separate decision-making processes and focus areas will mean some differences in policy approaches, delivered over different timescales.

The passage of the Financial Services and Markets Act (FSMA) in 2023 reset the UK's regulatory framework for financial services after it left the EU. The Act delegates significant decision-making power to the UK's regulators, with a broader set of objectives and regulatory priorities set by the then Government and held accountable to Parliament.

Given the UK financial services reform agenda has broad political support, **we anticipate that growth, international competitiveness and strengthening UK capital markets in the context of a stable and well-regulated regime will remain strategic priorities under this newly formed government.**

We also expect the Government to announce a Pensions Review, building upon the Mansion House reform agenda put in place by the previous administration, and for sustainability to gain more traction as a focus area. Digital finance and innovation will, to a lesser extent, remain topical issues.

About this ViewPoint

BlackRock advocates for public policies that we believe are in our clients' long-term economic interests. We support the development of regulatory regimes that increase financial market transparency, protect investors, and facilitate the responsible growth of capital markets. In this outlook, we set out the developments in financial services policy impacting retail investors, institutional investors, and distributors across the EU and the UK that we expect to be top of mind for policymakers in the upcoming months across five focus areas.

Contents

Policy developments

Retail investment and long-term savings

Boosting investment and expanding the involvement of retail investors in capital markets have been important goals for both EU and UK policymakers in recent years.

The EU Retail Investment Strategy (RIS)[3], proposed in May 2023, put the topic near the top of the agenda in Brussels. As one of the most prominent pieces of legislation that was not agreed under the last legislative period, it will likely be a top priority for the next European Commission, which will not only need to help guide a final agreement but also implement the new rules in the coming years.

The proposed set of regulatory changes aim to increase retail investors' trust and participation in capital markets.

If you want to know more about our positions on European policy files read our ViewPoints **here**, for views on global and international issues visit our **Global Public Policy page.** More on the UK **here**.

The RIS focuses on lowering barriers to investment by cutting costs, reducing conflicts of interests, improving disclosures, enhancing the digital investment experience, and boosting financial literacy.

However, there have been intense debates between industry, investor bodies, and policymakers on the proposed ban on inducements for execution-only services, the potential future extension of this ban to all retrocessions for financial products, and the proposal to introduce benchmarks as part of a new value for money framework. While the RIS is already acting as a catalyst for change in the retail investment landscape in the EU, as participants think of ways to evolve their business models, several aspects remain uncertain. The legislative process will continue into 2025 and implementation of revised rules is not expected before 2027.

Similarly in the UK, the topic of retail investor protection gained traction following the announcement of a fulsome review of the advice / guidance boundary in 2022. At the end of last year, the Financial Conduct Authority (FCA) and His Majesty's Treasury (HMT) published a joint Discussion Paper with three proposals intended to "smooth the cliff edge" between holistic advice and information and guidance.

The proposed changes resulting from this review will hopefully allow firms to take personal circumstances into account and offer guidance for a course of action on a 'people like you' basis. This will particularly benefit those investors who cannot afford or do not want to pay for advice. We believe this regime has the potential to meaningfully impact the financial wellbeing of people across the UK and will have an important impact on closing the current advice gap.

Pensions

In addition to a focus on retail investors, concerns around the sustainability of pension systems in many European countries add to the policy focus on promoting long-term financial well-being. Increasing life expectancy and decreasing working populations across Europe bring the debate on how to ensure citizens can afford life in retirement while reducing their dependency on public systems into sharper focus. In addition to looking at how domestic Pillar 2 pensions are structured, there is an increasing focus on Pillar 3, including the potential further refinement of a pan-EU product framework.

One of the goals of the previous EU Capital Markets Union (CMU) action plans was to establish a pan-European personal pension product (PEPP). However, conflicting objectives in the product's design have weakened its commercial viability and resulted in very limited roll out, since legislation went live in March 2022. We think that refinements to the framework to further "life cycling" strategies[4] in the PEPP would create opportunities for high-quality and scalable retirement solutions across the EU. To make PEPP viable within its 1% price cap, operators need to be able to deliver the benefits at scale by reducing overly complex take-on procedures and encouraging the roll-out of PEPP as a workplace savings vehicle.

In the UK, pensions policy is equally central to the economic and social agenda. The new Labour Government has committed to carrying out a review of the pensions landscape to 'improve pension outcomes and increase investment in UK markets'.

While Labour plan to update the system, we expect to see a degree of continuity in many initiatives already in train, including efforts to ensure members get value for money and further support with retirement income decisions. As we present in our Spotlight "The Future of Defined Contribution (DC)"[5] these measures are reflective of the UK journey from Defined Benefit (DB) to DC, and the need to ensure those with DC pots have an adequate retirement.

While it is clear that the UK and the majority of European countries are at different stages when it comes to the developments of workplace and private pensions, we expect discussions on this area to be equally relevant on both sides of the Channel given that the demographic challenge is a common one.

What can we expect on fund regulation?

2023 was a year of targeted tweaks and enhancements for fund regimes across both the EU and UK, with regulators finalising changes to specific product regimes. Implementing many of these agreed changes will be a key focus in 2024.

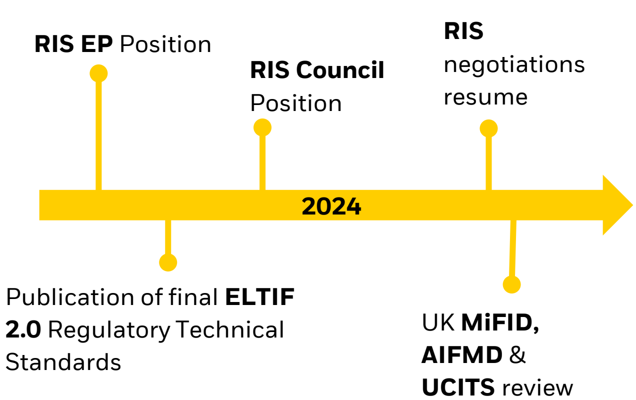
In the EU, proposals to introduce more flexibility and proportionality around liquidity management requirements for the European Long-Term Investment Fund (ELTIF) regime will make it easier for investors and fund managers to access private markets.

Similarly, the Alternative Investment Fund Managers Directive (AIFMD) was also refreshed for the first time since its inception last year. The revision features targeted changes to increase transparency around costs and charges, enhanced and harmonised risk management arrangements around liquidity and leverage, as well as dedicated rules on the definition and governance of loan-originating funds. These changes are expected to come into force by April 2026.

In the second half of the year the UK FCA is set to review the inherited Markets in Financial Instruments Directive (MiFID), AIFMD and Undertaking for Collective Investment in Transferable Securities (UCITS) regimes to increase proportionality for alternative fund managers, update the regime for retail funds, and support technological innovation.

Changes are also expected in both the EU & UK this year for pre-contractual fund disclosures available to investors. While the EU will be making targeted changes to EU's Packaged Retail and Insurance-Based Investment Products (PRIIPs), the UK will introduce its new retail disclosure framework, the Consumer Composite Investment (CCI) regime, which replaces UK PRIIPs.

The UK has also begun to bring its Overseas Funds Regime (OFR) online, with HMT determining that EEA-based funds are sufficiently equivalent to the UK's regime to be marketed to UK customers. The procedures are being finalised by the FCA.



Look out for:

- A final agreement on the RIS in the EU and the outcome of the Advice Guidance Boundary Review in the UK, which are likely to transform the retail distribution model in Europe.
- The finalisation of the revised ELTIF regime which is expected to facilitate increased participation of retail investors in private markets.
- Ongoing discussions on pension reform in the UK and across EU Member States.

The sustainable finance policy agenda as part of the transition to a low-carbon economy

In recent years, European governments have set clear domestic and joint decarbonisation goals. However, as these target dates draw closer, policymakers and investors are still faced with a number of questions about how they will be realised.

Sustainable finance, and a broad sustainability regulatory framework for market participants, has been an important part of Europe's efforts to work towards these goals. 2023 was the year when we began to see divergences in how the EU and UK approached their respective frameworks, a trend likely to continue in the years ahead.

In the EU, rather than expand the set of sustainable finance-related rules, the next Commission will focus on implementation and work towards fine-tuning some of the existing rules for simplification, consistency, and usability. We expect this to include looking carefully at whether the Sustainable Finance Disclosure Regulation (SFDR) is in need of fundamental reform as the EC reviews feedback from its 2023 consultation with a mind to ensure that the disclosure framework is fit for purpose and addresses some of the shortcomings identified since its implementation. Changes could see a revision of entity and product level disclosures, the introduction of a classification framework, and further alignment with other pieces of sustainable finance legislation. The Commission is reflecting on the need for revisions in the course of 2024. The outcome of this revision and the next steps are only expected in 2025.

The recently published ESMA guidelines on fund names using sustainability-related terms add a further dimension to fund requirements[6]. These new guidelines establish minimum criteria that funds must meet to use sustainability-related terms in their name including criteria such as a 'meaningful' percentage of sustainable investments and the application of Paris-Aligned

Benchmark exclusions to certain funds, may lead to further changes front-running any future changes to the SFDR. The guidelines will apply to new funds three months after publication in all EU official languages, most likely at the end of Q3 this year, and to existing funds an additional six months after that, taking us to the end of Q1 2025.

Further developments in the field of non-financial reporting and ESG data include the delay in the adoption of the sectoral European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD), which has been postponed for two years until June 2026.

There may also be new discussions around the treatment of ESG-related benchmarks either: i) in the context of final negotiations on the Benchmark Regulation (BMR) which are expected to begin at the end of the year following the failure to agree on a final text by the end of last legislative term, or, ii) as part of the EU Sustainable Finance Platform work on developing new Taxonomy-Aligning Benchmarks or, iii) as part of the review of the Paris-Aligned and Climate Transition Benchmarks that we expect in the next mandate.

> **“International and European policymakers have been working to adapt the current regulatory framework to transition finance and we expect to see more of this work in the coming months. Many of our clients want to invest in the transition and are looking to regulatory frameworks which can underpin their growing interest.”**
>
> **Julie Ansidei,** EMEA Head of External Engagement for BlackRock Sustainability and Transition Solutions (STS)

In the UK, HMT has confirmed that it will follow the EU in publishing a proposal to bring ESG rating providers within the regulatory perimeter later this year, although timings may be affected by the General Election that took place in July. The definition of scope will determine whether some of the activities of regulated financial undertakings are captured or not.

Financial service providers operating in the UK will also need to adapt to the implementation of the Sustainability Disclosure Requirements (SDR) which begin to apply this year. These include a new anti-greenwashing rule, naming and marketing rules, disclosure requirements, and four new sustainability labels which will enter into force over the course of 2024, 2025 and 2026. Most recently, the FCA has also consulted on the expansion of the scheme to portfolio management services.

HMT is also due to consider whether to apply the SDR regime, including funds labels, to overseas funds marketed in the UK through the OFR, particularly EU-domiciled funds, (see box on page 4) . Overall, the implementation of SDR will be relevant for the EU's thinking on a possible classification regime and whether any lessons can be drawn from the UK experience.

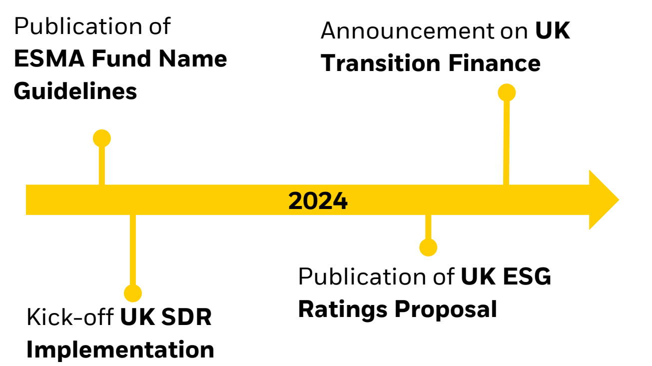
In addition, and as part of the UK's 2023 Green Finance Strategy, HMT and the Department for Energy are analysing the feedback collected from the call for evidence on the scope and definition of transition finance, aiming at inputting into the ongoing work on sector-specific guidance. A final announcement on upcoming measures in this space is expected before the end of the year.

Several items that were not completed as the previous administrations' term came to an end in July will be picked up again, although the specifics of policy could change direction. This includes development of a UK taxonomy, and introduction of transition plans – where the incoming Government has proposed requiring 1.5º-aligned transition plans for corporates and the financial services sector.

All of these regulatory changes are taking place amidst continued efforts by governments in the UK and EU to find additional funds to finance the transition to a net zero economy, and we can expect to see discussions about how regulatory policy affecting finance can be steered towards these goals.

Look out for:

- Naming requirements for funds claiming ESG and sustainability objectives, which will undergo significant changes in the coming months following the publication of the ESMA guidelines.
- The potential regulation of ESG ratings which is gaining traction given their growing importance to the markets.



NM0724U-3707358-5/10

Advancing the digital agenda

Technology - together with capital markets and sustainability - remains towards the top of policymakers' agendas, both in the context of financial markets and in promoting innovation and growth across the economy more broadly.

In the first half of 2024, we have seen the publication of the EU Artificial Intelligence (AI) Act - the first comprehensive regulation around AI in the world - and the entry into force of other building blocks of the Commission's digital action plan "A Europe Fit for the Digital Age,"[7] such as the Digital Services Act, the Digital Markets Act, and the Data Act. Europe's digital architecture is evolving quickly, and we see a parallel push in regulatory attention towards several technologies, including blockchain, distributed ledger technology (DLT), and AI.

While the EU continues to favour "hard" regulation in this space, UK regulators have taken a different approach, working with different segments of industry to develop tailored regulation and guidance and adapting existing regulatory frameworks. In April, the FCA published its response to the Government's AI White Paper[8], setting out the activities it will undertake in the coming year to better understand the application of AI to financial markets and the appropriateness of further regulation.

As firms evolve their AI strategies to leverage the opportunities these technologies present to boost productivity, they will need to think in parallel about ensuring their AI use is compliant with relevant regulation. In the case of the AI Act, this can imply rethinking a companies' 'tech stack' – the combination of technologies they use – to ensure appropriate infrastructural resilience and an efficient allocation of resources. Governance and risk management of AI systems remain concerns for policymakers in this fast-evolving space, and in the financial services realm they are especially interested in the implications of market reliance on third-party providers of AI technologies. While the EU is currently focusing on creating a sector-agnostic regulatory infrastructure framework through the AI Act and accompanying regulations, we anticipate discussions on sector-specific rules, including financial services[9], to surface as well. Meanwhile, the UK is expected to keep testing sectorial regulation to see if it can be adequately adapted to the needs of the AI age.

Operational resilience is another focus of regulatory work both in the EU and the UK. While the discussion has so far been technology-neutral, the rise in third-party-provided AI systems is creating expectations around a specific focus on AI critical third parties (CTPs). In the EU, 2024 will see preparatory work for the implementation of the Digital Operational Resilience Act (DORA), which will enter into force in 2025, establishing a broad range of operational requirements for financial services firms that rely on third-party technology. Interpretation and implementation of DORA will determine the size of its impact on users and providers of technology. The requirement to provide transparency over the supply chain of service providers will likely be the biggest challenge for industry. Similarly, in the UK, regulators are also focused on operational resilience, recently consulting on a supervisory regime for designated critical third parties (CTPs).

In the EU, digital assets also remain important focus areas, given the approaching entry-into-force date of the Market in Crypto-Assets Regulation (MiCA) and the growth of potential use cases for tokenisation within financial markets. As regulators learn more about these technologies, digital assets and tokenisation – in the context of blockchain ecosystems – are seen as posing both challenges and opportunities. In this context, EU regulators are looking at the potential of central bank digital currencies (CBDCs). EU proposals for a Digital Euro have been retail-focused, but the understanding that digital currencies can significantly enhance the use of digital assets is growing. In the UK, stablecoins, and how they can enable the use of blockchain technology in capital markets transactions is also being carefully considered by legislators.

Moreover, the previous UK government had been working with regulators and industry participants to identify opportunities presented by DLT, focusing on fund tokenisation use cases that firms will be able to test with support from UK authorities via appropriate channels, such as HMT's Digital Securities Sandbox. We anticipate such work to continue under the newly formed Labour government, in order to continue progress already made.

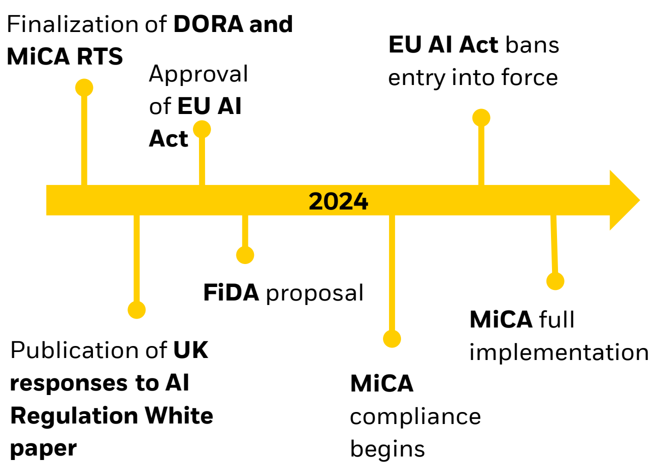
Finally, policy proposals in the digital space could present new opportunities for end investors. The EU's Open Finance (FiDA) proposal, aims to enable customers to share their financial data with third-party providers to give them access to a wider range of personalised financial services, opening up new innovation opportunities in the provision of investment solutions to end users. Tailoring services to the

> **"Technology is reshaping work patterns, empowering individuals, and revolutionising client expectations. Innovation will have to be supported with strong governance and risk-management and education to deliver the best outcome across industries"**
>
> **Simona-Paravani Mellinghoff,** Global CIO of Solutions for Multi-Asset Strategies & Solutions (MAAS)

needs of investors - especially in the retail space – could unlock commercial opportunities while also advancing the societal goal of enabling financial well-being for a wider set of individuals.

Look out for:

- The EU's continued efforts to be a standard setter for the world in creating a digital regulatory architecture.
- Upcoming implementation and entry into force deadlines - some are fast approaching (e.g. elements of the AI Act will be applicable from 2025).
- Efforts to regulate technology that has the potential to support the evolution of financial services from client-centric to client-specific, with tailored propositions (e.g. through GenAI and FiDA).



Creating well-functioning markets

Regulators are looking at measures to ensure that their financial markets are a competitive and attractive place to trade globally. This has seen the EU and UK undertake reviews of listing rules – such as reforms around weighted voting rights proposed in France, Italy and the UK to try and attract more Initial Public Offerings (IPOs).

European jurisdictions are progressing with operationalising consolidated tapes for bonds, equities and Exchange Traded Funds (ETFs), with a view to improving market structure and increasing access to data for all market participants. Timelines for developing these tapes are at different stages.

The EU has finalised the scope of the equities and ETF tape to include limited pre-trade data and full real-time post-trade data, with a go-live date expected in 2026. The UK is expected to consult on the framework for an equities and ETF tape this year.

Both the EU and the UK have confirmed that the scope of their respective bond tapes will only include post-trade data. The UK is expected to launch the tender process for selecting a bond consolidated tape provider (CTP) potentially by Q4 2024, whereas the EU has confirmed that its provider will be selected in 2025.

These timelines remain subject to change as both jurisdictions are yet to confirm final rules for their post-trade data publication windows (commonly referred to as the deferrals regime) for bonds and derivatives. Optimising the deferral regimes is key to maximising the quality of market data supplied by the bond tape.

With the rise in recent years in the number of retail investors directly participating in capital markets, ensuring that the market structure is fit for this new generation of investors is also a priority for many policymakers. Making sure retail investors are treated fairly, have access to high levels of transparency, and receive best execution for their trades will likely remain top of mind for regulators when implementing recent market structure reforms in Europe (equity transparency, ban on Payment-for-Order-Flow). In addition, the treatment and availability of fractional dealing – a feature that can empower[10] retail investors to participate in capital markets starting with small amounts – is being discussed in the UK and several EU domestic markets[11].

Finally, there has also been a renewed focus on the time that it takes for securities transactions to settle. Until the beginning of May this year markets in the EU, UK, and North America all worked on a T+2 cycle; the US, Canada and Mexico moved to an accelerated (shorter) settlement cycle of T+1 towards the end of May this year. This has led to some misalignment in settlement cycles between the respective jurisdictions.

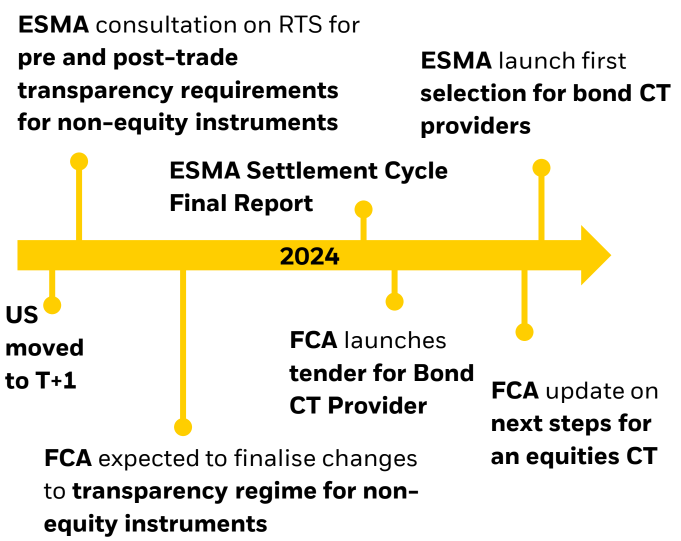
> **"The introduction of consolidated tapes in the EU and in the UK, both for equities and bond markets, are crucial building blocks for improving the efficiency, the resiliency, and also the attractiveness of European capital markets. The tapes create a single source of the truth for investors in the UK and Europe who otherwise face a very fragmented landscape. The benefits that such transparency provides cannot be overstated; it is a major milestone towards growing capital markets in Europe."**
>
> **Daniel Mayston,** Head of Market Structure and Electronic Trading

The UK Accelerated Settlement Taskforce recently published a report recommending that operational changes to the settlement process should take place in 2025 and that the UK formally transition to a shorter settlement cycle by the end of 2027. By contrast, the EU has yet to outline any timelines with ESMA set to provide the European Commission with its advice on a move by the end of this year.

While there is clear political desire in both the EU and the UK to move to a shorter settlement process, feedback from market participants is mixed in terms of timelines for moving. This feedback highlights the need for regulatory and industry coordination to reduce risks given the operational complexities involved.

Look out for:

- The publication of ESMA's draft technical standards which will outline a recommended date for the EU move to a shorter settlement cycle – expected in Q4 2024.
- The selection of the UK and EU Bond consolidated tape providers by 2025 .



Ensuring a resilient ecosystem

Regulatory attention on non-bank financial intermediation (NBFI) has been evolving over the past year. At the international level, standard-setting on open-ended funds' liquidity risk management concluded in December 2023 when the Financial Stability Board (FSB) and the International Organization of Securities Commissions (IOSCO) published their final Recommendations and Guidance for liquidity risk management in open-ended funds.

> **"There's been a tectonic shift in the financial sector changing the markets for deposits and credit. We see these shifts benefiting savers, diversifying finance for borrowers, creating a more stable system and opening up potential investment opportunities."**
>
> **Jean Boivin,** Head of BlackRock Investment Institute (BII)

The measures look to promote the alignment of fund dealing terms with the tradability of portfolio assets and increase the use of 'anti-dilution' tools that ensure a fund's remaining investors do not bear the costs generated by other investors' redeeming from the fund. In Europe, most of these practices have been captured by changes agreed during the recent review of AIFMD and UCITS, meaning significant further regulatory change in Europe is likely to be limited to the implementation of these rules.

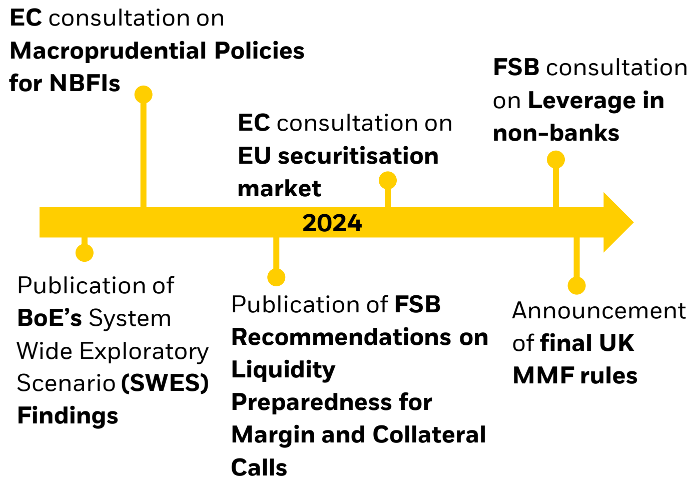
However, the impact of the international debate on enhancing the resilience of money market funds will likely be further reaching. We expect the recent joint consultation by the FCA to set the stage not just for final UK rules in late 2024 or early 2025, but also to add to the debate on revisions to the EU regulatory framework, likely to be revisited in in 2025.

In 2024, international policymakers' attention has been shifting to issues in the broader ecosystem: namely, 'preparedness' for margin and collateral calls, the use of leverage, and the overall functioning of the non-bank financial sector. Policymakers in Europe have been looking to develop a better understanding of non-bank financial intermediation as a whole, and how its constituent parts interact. In May the European Commission launched a consultation on the EU's macroprudential framework, which will frame the Commission's positioning on whether and how to develop potential macroprudential rules for NBFI under the next mandate. The Central Bank of Ireland has also been considering macroprudential tools for the open-ended fund sector specifically.

Each of these workstreams indicate policymakers' desire to promote financial stability and well-functioning markets, by ensuring the different parts of the financial system are as resilient as possible. For example, the Bank of England's 'System-Wide Exploratory Scenario' has been investigating how a wide range of market participants from the bank and non-bank sector would respond to a shock in Gilt markets. Crucially, this recognises that market dynamics cannot be effectively understood by looking at sub-sectors of the system in isolation.

Look out for:

- The final UK Money Market Fund (MMF) rules and what the EU takes from them in the anticipated review of the EU's MMF Regulation.
- The European Commission's consultation expected in Q3 2024 which will analyse how best to revive the EU securitisation market, to make it more attractive for both issuers and investors.



If you want to know more about our positions on European policy files read our ViewPoints **here,** for views on global and international issues visit our **Global Public Policy page**. More on the UK **here**.

Endnotes

1. BlackRock BII Macro Outlook 2024. Available here: https://www.blackrock.com/corporate/literature/whitepaper/bii-global-outlook-2024.pdf
2. You can read more on the demographic challenges and its economic impact in our paper "Decoding demographic divergence". Available here: blackrock.com/corporate/literature/whitepaper/bii-investment-perspectives-march-2024.pdf
3. European Commission Retail Investment Strategy proposal available here: https://finance.ec.europa.eu/publications/retail-investment-strategy_en
4. Life cycling strategies aim to reflect changing investment needs over a member's lifetime by gradually altering its investment mix as members near their target retirement date helping them to take the right amount of risk at the right time in their lives, from a focus on growth when they are young to protecting their wealth near to and in retirement.
5. https://www.blackrock.com/corporate/literature/whitepaper/spotlight-the-future-of-defined-contribution-february-2024.pdf
6. Final ESMA report on guidelines on funds' names using ESG or sustainability-related terms is available here: https://www.esma.europa.eu/sites/default/files/2024-05/ESMA34-472-440_Final_Report_Guidelines_on_funds_names.pdf
7. https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age_en
8. https://www.fca.org.uk/publications/corporate-documents/artificial-intelligence-ai-update-further-governments-response-ai-white-paper
9. European Commission targeted consultation on artificial intelligence in the financial sector, available here: Targeted consultation on artificial intelligence in the financial sector - European Commission (europa.eu)
10. https://www.blackrock.com/corporate/literature/whitepaper/spotlight-fractional-ownership-and-etf-savings-plans-may-2023.pdf
11. https://www.blackrock.com/corporate/literature/whitepaper/spotlight-a-framework-to-support-retail-investor-participation-october-2022.pdf

BlackRock.