

## PSE Weekly News Headlines 16 April 2021

### Headlines:

French regulator states that the term neobank must necessarily qualify a credit institution

BaFin faces criminal probe into how it oversaw Wirecard

Ant Group applies to become a financial holding company overseen by China's central bank

Turkish central bank bans the use of cryptoassets for payments

Due to Brexit banks have moved or plan to move more than £900bn in assets to the EU

### News:

In France, the Prudential Control and Resolution Authority (ACPR), which operates under the Banque de France, issued a statement saying that "[the term 'neobank' must necessarily qualify a credit institution](#)".

The regulator is wary firms are "mislead(ing) users on their actual status" by "wrongly qualify(ing)" their businesses as neobanks.

Specifically calling out payment institutions and electronic money issuers, as well as their agents and distributors, the "use of this word ['neobank'] to qualify another activity [other than that of a credit institution] is prohibited by law and is likely to result in sanctions for entities that contravene them," says the ACPR.

BaFin [faces criminal probe](#) into how it oversaw Wirecard and whether some of the agency's staff illegally traded the stock. Frankfurt prosecutors said Monday they opened the probe after reviewing information collected from BaFin in February when they visited the regulator's offices.

Following the news on Alibaba's fine, the Ant Group [will apply to become a financial holding company overseen by China's central bank](#), overhauling its business to adapt to a new era of tighter regulation for internet companies.

Turkish central bank [bans the use of cryptoassets for payments](#).

Studies on the regulation regarding the disuse of crypto assets in payments have been completed and have shown that crypto assets entail significant risks due to the following reasons: they are neither subject to any regulation and supervision mechanisms nor a central regulatory authority, their market values can be excessively volatile, they may be used in illegal actions due to their anonymous structures, wallets can be stolen or used unlawfully without the authorization of their holders, and transactions are irrevocable.

Figures compiled by think tank New Financial show that [banks have moved or plan to move more than £900bn in assets to the EU](#), equivalent to 10 per cent of the entire UK banking system. Insurance firms and asset managers have transferred more than £100bn. More than 440 firms in banking and finance have moved or are moving part of their business, staff, assets or legal entities from the UK to the EU.