

A&O SHEARMAN



Regulatory monitoring: EU Version

NEWSLETTER

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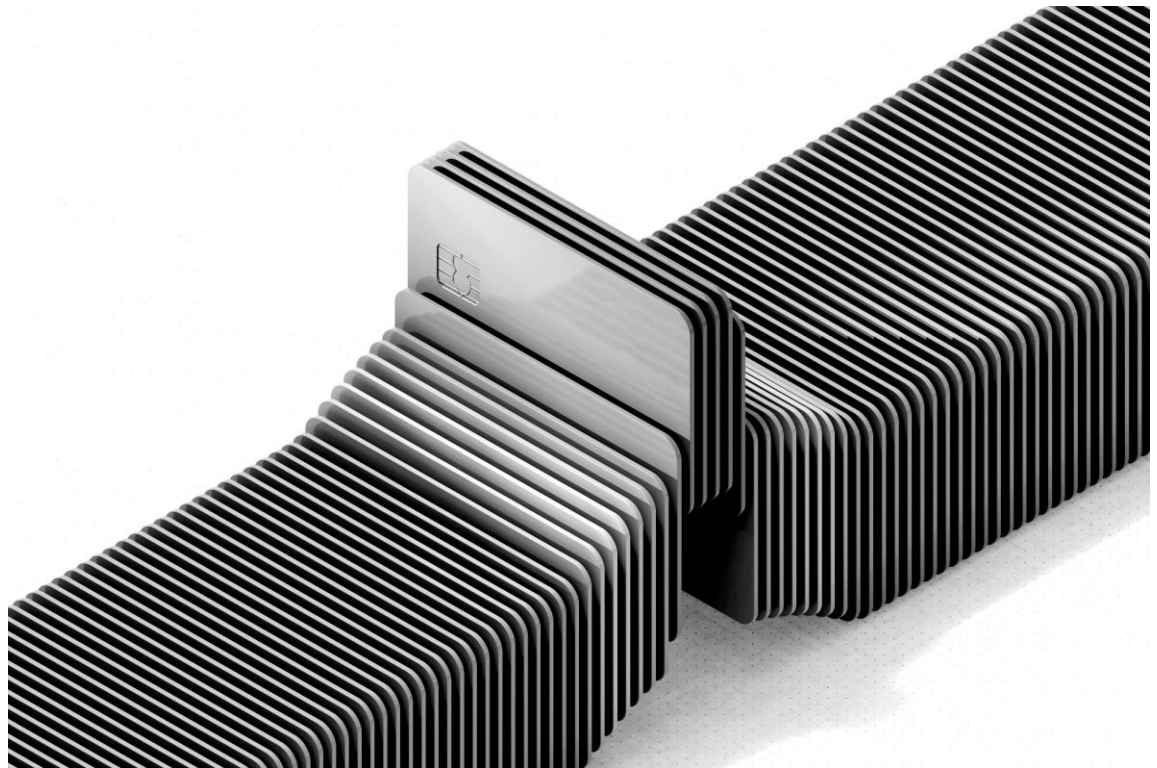
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FINANCIAL REGULATORY LAW SOURCEBOOK

A categorised collection of all laws in the field of financial regulatory law for Europe and Germany (constantly being expanded), which can be compiled as an obligation register and commented on as desired.

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Effective implementation (including tailored impact analysis and gap analysis) of new legislation and agile control using our project management tool (including KPIs).

CHANGE ANALYSIS AND PREVIEW OF RULES

Read the future versions of a law early, including the official explanatory memorandum, and identify any legislative changes.

1. Bank regulation

1.1 PRUDENTIAL REGULATION

a) General

(i) EU

EBA: Report on white labelling

Status: Final

The EBA published a report on white labelling, accompanied by a [fact sheet](#). In the report, the EBA considers the use of white labelling as a business model by the firms that are under its mandate, including credit institutions, e-money institutions, payment institutions, non-bank issuers of asset-referenced tokens, and non-bank lenders. The report defines white labelling as a business model in which a financial institution (the provider) enters into an agreement with another entity (the partner, who may or may not be a financial institution) to distribute and offer one or more financial products and services under the partner's own brand only. The EBA finds that white labelling is being widely used, with 35% of surveyed banks employing the model to distribute a broad range of financial products and services, both domestically and cross-border, including account and payment services, credit provisioning and open banking services.

The EBA identifies several benefits of white labelling such as cost efficiency and enhancing financial inclusion but also flags key risks including potential mis-selling, fraud risk, weaknesses in anti-money laundering and countering the financing of terrorism controls, and a lack of transparency towards consumers as to precisely with whom they are contracting. While the EBA does not propose amendments to EU law, it has identified a need for supervisory convergence actions which the EBA plans to take forward in 2026, in particular as regards the regulatory qualification of the arrangements between the parties and the assessment and identification of emerging risks. Regarding consumer protection, the EBA intends to focus on appropriate measures to facilitate awareness by consumers of the key elements relating to white labelling. In addition, the EBA will continue assessing the evolution of banks' engagement in white labelling via its regular Risk Assessment Questionnaire (RAQ) and wider innovation monitoring.

Date of publication: 14/10/2025

(ii) International

BCBS: Basel III monitoring report

Status: Final

The BCBS published the latest update on the Basel III monitoring report. The report sets out the impact of the Basel III framework, including the December 2017 finalisation of the Basel III reforms and the January 2019 finalisation of the market risk framework. A web-based version of the report with interactive graphs is available on the [highlights page](#).

Date of publication: 23/10/2025

FSB: Interim report on G20 implementation monitoring review

Status: Final

The FSB published a [letter](#) from its Chair, Andrew Bailey, to G20 Finance Ministers and Central Bank Governors ahead of their meeting on 15-16 October, alongside an interim report from the G20 strategic review of the FSB implementation monitoring work. In the letter, Mr Bailey highlights the importance of global standards and co-operation in preventing crises and supporting sustained growth. The letter also emphasises the urgent need for full, timely and consistent implementation of financial reforms, warning that incomplete efforts leave the global financial system vulnerable to shocks. To address this, the FSB confirms it will enhance its surveillance of vulnerabilities in the financial system and pivot from policy development to monitoring and facilitating the implementation of agreed reforms.

The accompanying interim report provides an initial assessment of progress across several key reform areas including too-big-to-fail policy measures, non-bank financial intermediation, over-the-counter derivatives market reforms, Basel III and crypto-asset markets and activities. The initial assessment of implementation status shows that full, timely and consistent implementation has not been completely achieved. This is despite the active programme of implementation monitoring by the FSB and standard-setting bodies. The next phase of the G20 strategic implementation monitoring review will reflect on why implementation gaps exist. The final report will make specific recommendations to strengthen the FSB's monitoring and implementation processes.

Date of publication: 13/10/2025

BCBS: Report on further progress on the Basel III implementation

Status: Final

The BCBS [published](#) a report on further progress on the Basel III implementation. It set out that over the past 12 months, the final Basel III standards came into effect in more than 40% of the Basel Committee's 27 member jurisdictions. The report also explained that the revised credit risk and operational risk standards as well as the output floor are now in effect in around 80% of member jurisdictions. The Committee will continue to closely monitor and assess the full and consistent implementation of Basel III standards.

Date of publication: 03/10/2025

b) Solvency/Own funds issues

(i) EU

EC: Communication on Guidance concerning the treatment of equity exposures incurred under legislative programmes according to Article 133(5) CRR

Status: Final

The EC adopted a communication providing guidance clarifying how banks can benefit from preferential prudential treatment under Article 133(5) CRR when investing in equity through legislative programmes, which are structured public investment schemes established under EU or national law. These programmes, which combine public support (e.g. guarantees or co-investment) with private funding and oversight mechanisms, target strategic sectors such as clean technologies, digital innovation and defence. The guidance promotes consistent application across the Single Market, enabling banks to apply lower capital charges to qualifying exposures, reflecting their reduced risk profile. This initiative supports financial stability while enhancing access to equity financing for EU companies and advancing the EC's broader goals under the Savings and Investments Union (SIU), including capital market

integration and competitiveness. A [public register](#) of eligible legislative programmes has been published, as well as a [website](#) with questions and answers on legislative programmes under Article 133(5) CRR.

Date of publication: 29/10/2025

EBA: Final report on draft RTS on CVA risk of SFTs under Article 382(6) CRR

Status: Final

The EBA [published](#) a final report on the draft RTS under Article 382(6) CRR, as amended by CRR3. The RTS establish a quantitative framework for assessing the materiality of credit valuation adjustment (CVA) risk exposures arising from fair-valued securities financing transactions (SFTs). Following feedback to the July 2024 [consultation](#), the EBA retained its proposed quantitative approach to assessing materiality, opting for a ratio-based threshold of 5% to determine whether such transactions should be included in CVA capital requirements. The final RTS also uphold quarterly assessments aligned with COREP reporting cycles and clarify that the CVA capital requirement metric, rather than broader own funds or exposure values, should be used for the materiality test.

A notable change has been made to the proposed stabilisation mechanism. While it was initially proposed that institutions include fair-valued SFTs in scope if any of the last four quarterly ratios exceeded the materiality threshold, the final RTS now require a point-in-time assessment based solely on the current reference date. This revision ensures that CVA risk is capitalised only when present, aligning more closely with the Level 1 text and avoiding unnecessary capital requirements based on past exposures.

The draft RTS will be submitted to the European Commission for adoption following which they will be subject to scrutiny by the European Parliament and the Council of the EU before being published in the OJ.

Date of publication: 29/10/2025

EC: Commission Delegated Regulation (EU) .../... amending Delegated Regulation (EU) 2015/35 as regards technical provisions, long-term guarantee measures, own funds, equity risk, spread risk on securitisation positions, other standard formula capital requirements, reporting and disclosure, proportionality and group solvency

Status: Adopted by the EC

The EC adopted a Commission Delegated Regulation amending Delegated Regulation (EU) 2015/35 as regards technical provisions, long-term guarantee measures, own funds, equity risk, spread risk on securitisation positions, other standard formula capital requirements, reporting and disclosure, proportionality and group solvency.

Date of publication: 29/10/2025

EBA: Two Q&As under CRR

Status: Final

The EBA published two Q&A under the CRR: (i) [2025_7363](#) addresses how exposures to institutions should be treated under the Credit Risk Standardised approach, if such institutions have been waived of individual capital requirements under Article 7 of the CRR; and (ii) [2025_7470](#) addresses the eligibility as collateral under Article 207(2) of the CRR of secured notes designed specifically to remove any material positive correlation between the value of the note and the credit quality of its issuer.

Date of publication: 24/10/2025

Commission Delegated Regulation (EU) 2025/1311 supplementing the CRR with regard to RTS specifying the conditions for assessing the materiality of extensions of, and changes to, the use of alternative internal models, and changes to the subset of the modellable risk factors

Status: Published in the OJ

Date of entry into force: 03/11/2025

Date of application: 03/11/2025

Commission Delegated Regulation (EU) 2025/1311 supplementing the CRR was published in the OJ. The Delegated Regulation sets out RTS specifying the materiality assessment of extensions, and changes to, the use of alternative internal models, and changes to the subset of modellable risk factors. The RTS reflect a mandate in Article 325a(8) of the CRR. The Delegated Regulation also sets out detailed documentation requirements and clarifies supervisory expectations for model governance, validation and IT infrastructure changes.

Date of publication: 14/10/2025

Commission Delegated Regulation (EU) 2025/1265 supplementing the CRR with regard to RTS specifying the method for identifying the main risk driver of a position and for determining whether a transaction represents a long or a short position as referred to in Articles 94(3), 273a(3) and 325a(2)

Status: Published in the OJ

Date of entry into force: 03/11/2025

Commission Delegated Regulation (EU) 2025/1265 supplementing the CRR was published in the OJ. The Delegated Regulation, adopted in July, sets out RTS specifying the method for identifying the main risk driver of a position and for determining whether a transaction represents a long or short position as referred to in Articles 94(3), 273a(3), and 325a(2) of the CRR.

Date of publication: 14/10/2025

(ii) International

BCBS: Technical amendment on hedging of counterparty credit risk exposures

Status: Final

The BCBS published a final technical amendment to the Basel framework, clarifying the treatment of guarantees and credit derivatives used to hedge counterparty credit risk (CCR) from derivative exposures. The technical amendment, revised following consultation feedback, applies specifically to a bank's use of fixed or capped protection and excludes securities financing transactions (SFTs) and securitisation exposures. Amendments have been made to the credit risk and CCR standards to align the treatment of guarantees and credit derivative protection with that of eligible collateral under the CCR framework. These changes aim to clarify how fixed or capped protection should be reflected in exposure calculations and address inconsistencies in the application of the framework. As a technical amendment, it does not constitute a substantial change to the standards but resolves ambiguities that could not be addressed under the existing rules. Supervisors and the BCBS will monitor implementation and potential circumvention strategies, with the possibility of extending similar treatment to SFTs and securitisations if necessary. BCBS members have agreed to implement the amendment as soon as practical and within three years at the latest.

Date of publication: 28/10/2025

BCBS: Approval of annual G-SIB assessment, enhancement of clarity of grading system for jurisdictional assessments and discussion of implementation of margining requirements for non-centrally cleared derivatives

Status: Final

The BCBS published the results of its October meeting: It approved the results of the end-2024 assessment exercise for global systemically important banks (G-SIBs). It also discussed the grading used for its jurisdictional assessments, which are a key element of its Regulatory Consistency Assessment Programme (RCAP).

Jurisdictional assessments review the extent to which domestic regulations in each member jurisdiction are aligned with the minimum regulatory standards agreed by the Committee. In addition, the Committee discussed a report on the implementation of margin requirements for non-centrally cleared derivatives, developed jointly with the IOSCO. The report finds that implementation of the framework has made the financial system more resilient and that there is no evidence of material issues with the implementation of the framework.

Date of publication: 02/10/2025

c) Securitisation

(i) EU

ESAs: Joint committee work programme 2026

Status: Final

The ESAs published their 2026 work programme, setting out key priorities for cross-sectoral collaboration for 2026. The programme focuses on joint efforts in relation to:

- ♦ Digital Operational Resilience Act (DORA) – the ESAs will concentrate on the effective operation of the new oversight framework and work related to supervisory convergence of DORA. The ESAs will designate third-party providers critical (CTPPs) to the EU financial sector by the end of 2025 and will conduct risk assessments to outline individual annual oversight plans for each CTPP, complemented by a strategic multi-annual oversight plan.
- ♦ Consumer protection and financial innovation – in 2026, the ESAs expect to work on drafting regulatory technical standards based on the empowerments in the proposed amendments to the PRIIPs Regulation in the European Commission's (EC's) Retail Investment Strategy. Work on consumer confidence and protection will consider the EC's strategy to develop a Savings and Investment Union.
- ♦ Securitisation – the ESAs will continue work relating to the review of the Securitisation Regulation. They will also monitor regulatory developments with third countries, particularly the U.S. and UK, to identify potential risks of divergence that could have a material impact on cross-border investments and financing to the EU economy.
- ♦ Cross-sector initiatives – the ESAs will collaborate on other areas of focus including financial conglomerates, innovation facilitators and external credit assessment institutions.
- ♦ Sustainable finance – the ESAs will support the review of the Sustainable Finance Disclosure Regulation. In addition, they will develop guidelines to ensure that consistency, long-term considerations and common standards for assessment methodologies are integrated into stress testing ESG risks by January 2026.

Date of publication: 16/10/2025

d) Liquidity

(i) EU

EBA: Q&A under CRR on NSFR for capital instruments with a residual 6 to 12-month maturity

Status: Final

The EBA published a Q&A (2021_6017) providing clarification on the net stable funding ratio (NSFR) treatment of capital instruments with a residual maturity of at least 6 but less than 12 months under the CRR. The EBA confirms that in accordance with Article 428I(d), such instruments should be subject to a 50% available stable funding factor under the NSFR framework. The EBA notes that the relevant reporting template currently does not allow firms to report this. The template and related instructions will be adjusted in the next NSFR reporting framework release.

Date of publication: 07/10/2025

e) Risk management/SREP/Pillar 2/Outsourcing/NPL

(i) EU

EBA: Call for advice for the purposes of benchmarking of national loan enforcement frameworks

Status: Final

The EBA published its second report on the benchmarking of national loan enforcement frameworks across the EU Member States. The report, which was compiled in response to the EC's call for advice in the context of the Savings and Investment Union's agenda, calculates the benchmarks for loan recovery outcomes for the EU 27 aggregates and for the individual Member States. The results highlight a high degree of dispersion among different categories of loans, and across the EU 27 Member States, for most of the benchmarks and loan categories. In addition, the report underscores the importance of certain elements related to both the legal framework and the judicial capacity to improve the recovery outcomes.

Date of publication: 31/10/2025

EBA: Consultation on draft Guidelines on common procedures and methodologies for the SREP and supervisory stress testing under CRD IV

Status: Consultation

Deadline for the submission of comments: 26/01/2026

The EBA **launched** a consultation on its revised Guidelines for the supervisory review and evaluation process (SREP) and supervisory stress testing, mandated under the CRD. The proposed Guidelines consolidate all relevant SREP provisions into a single, comprehensive framework as part of the EBA's efforts to simplify and enhance the EU supervisory framework. The update integrates new elements, including environmental, social and governance factors, operational resilience and mandates under the revised CRD VI relating to third-country branches and the output floor. The Guidelines also align with the interest rate risks for the banking book and credit spread risk arising from non-trading book activities package and incorporate ICT risk assessment into the main SREP framework, repealing the ICT SREP Guidelines (EBA/GL/2017/05). Other updates include improved proportionality, sequencing and supervisory effectiveness, with a clearer link between supervisory measures and assessment areas.

Once finalised, the revised Guidelines will replace existing SREP and ICT-specific guidance, with

application expected from 1 January 2027. However, national competent authorities are encouraged to consider the revised guidance, and where possible, to introduce its elements at an earlier stage.

Date of publication: 24/10/2025

f) Cyber security

(i) EU

ESMA: Official translations on Guidelines on outsourcing to cloud service providers

Status: Final

The ESMA published official translations of its final report updating the 2021 Guidelines on outsourcing to cloud service providers. The updated Guidelines, initially published in [July](#), narrow the scope to exclude entities covered by DORA, ensuring they remain applicable only to financial entities outside DORA's remit, specifically, certain types of depositary under the AIFMD and the UCITS Directive. The revision aims to prevent regulatory overlap, as DORA now governs ICT third-party risk for most financial entities. The revised Guidelines apply since 30 September. National competent authorities must notify ESMA by 30 November whether they comply or intend to comply with the Guidelines, and must inform ESMA of their reasons for non-compliance. Firms are not required to report on whether they comply.

Date of publication: 30/09/2025

1.2 RECOVERY AND RESOLUTION

(i) Eurozone

SRB: Consultation on communication guidance for banks

Status: Consultation

Deadline for the submission of comments: 12/12/2025

The SRB [launched](#) a consultation on new operational guidance for banks' communication in resolution scenarios, along with a [communication testing supplement](#) to its existing [operational guidance on resolvability testing for banks](#). The consultation aims to enhance the timeliness, accuracy and consistency of communication from banks when they are failing or likely to fail. It builds on the [SRB's expectations for banks](#) and further clarifies the strategic communication expectations during resolution. Key areas covered include: (i) coordination between banks and the resolution authorities; (ii) consideration of moratorium tools under the Bank Recovery and Resolution Directive in communication planning; (iii) banks' communication plans for resolution; and (iv) governance arrangements for communication during resolution.

During the consultation period, the SRB will engage with stakeholders to clarify any issues before the consultation closes. Final guidance will be published thereafter and may result in updates to the communication dimension of the SRB's existing operational guidance for banks on resolvability self-assessment. Banks are expected to meet the full set of expectations outlined in the proposed guidance by 30 June 2027. Transitional arrangements may apply in specific cases, particularly for newly authorised banks or those undergoing a switch.

Date of publication: 17/10/2025

1.3 STRESS TESTS/MACROPRUDENTIAL TOPICS

(i) EU

EBA: Consultation on draft Guidelines on common procedures and methodologies for the SREP and supervisory stress testing under CRD IV

Status: Consultation

Deadline for the submission of comments: 26/01/2026

The EBA **launched** a consultation on its revised Guidelines for the supervisory review and evaluation process (SREP) and supervisory stress testing, mandated under the CRD. For more information, please see section 1.1e) above.

Date of publication: 24/10/2025



2. Investment firms regulation

(i) EU

Commission Implementing Regulation (EU) 2025/2159 amending the ITS laid down in Implementing Regulation (EU) 2021/2284 as regards supervisory reporting and disclosures of investment firms

Status: Published in the OJ

Date of entry into force: 20/11/2025

Date of application: 20/11/2025

The Commission Implementing Regulation (EU) 2025/2159 amending the ITS laid down in Implementing Regulation (EU) 2021/2284 as regards supervisory reporting and disclosures of investment firms was published in the OJ, following its [adoption by the EC](#). The ITS specify the templates, reporting dates and definitions relating to the supervisory reporting and disclosure requirements for investment firms under IFR. The provisions on disclosures and reporting reflect the mandate in Article 54(3) of the IFR.

Date of publication: 31/10/2025

EBA/ESMA: Technical advice in response to the Commission call for advice on the investment firms prudential framework

Status: Final

The EBA and ESMA [published](#) their joint final report on technical advice in response to the European Commission's [Call for Advice](#) on the IFR and IFD. The report, mandated under Article 60 of the IFR and Article 66 of the IFD, proposes limited but targeted revisions to the existing prudential framework which has been deemed fit-for-purpose following feedback to its 2024 June [discussion paper](#). The authorities make a series of 49 recommendations in the report, which aim to: (i) enhance the proportionality and functioning of the prudential framework; and (ii) improve the framework's ability to contribute to a level playing field among investment firms, and between investment firms and financial institutions that perform similar activities. The report also highlights areas where greater or lesser alignment with the banking framework could be beneficial, and identifies the need to refine definitions, calculation methodologies and threshold monitoring for investment firms. In addition, the report emphasises the importance of harmonising the scope of calculations to ensure consistent application of the framework. Finally, the report addresses broader issues such as the adequacy of own funds requirements, the implications of the Banking Package, prudential consolidation, remuneration and the interaction of the IFR/IFD regime with other regulatory frameworks including MiCAR, UCITS and the AIFM Directives.

The report has now been [submitted](#) to the EC for consideration.

Date of publication: 15/10/2025

ESMA: Official translations on Guidelines on outsourcing to cloud service providers

Status: Final

The ESMA published official translations of its final report updating the 2021 Guidelines on outsourcing to cloud service providers. For more information, please see section 1.1f) above.

Date of publication: 30/09/2025

3. Market regulation/ Conduct rules

3.1 GENERAL

(i) EU

ESMA: Final report on the replacement of the RTS on the EEAP

Status: Final

ESMA published its final report proposing the replacement of Commission Delegated Regulation (EU) 2016/1437, which sets out the RTS for the European Electronic Access Point (EEAP). The publication of the European Single Access Point (ESAP) Regulation and of the two Joint Committee ITS on the ESAP make certain aspects of Commission Delegated Regulation (EU) 2016/1437 (the RTS on the EEAP) obsolete. It is therefore necessary to replace the RTS on the EEAP with an RTS whose content is aligned with the ESAP legislation to bring more legal certainty. The proposed RTS align the requirements which are currently in the RTS on the EEAP with the ITS on tasks of ESAP collection bodies and the ITS on ESAP functionalities, and therefore with the establishment of the ESAP project. It does this by cross-referring the relevant sections of the ESAP Regulation or of one of the two ITS.

The report also includes a feedback statement following the [consultation](#) earlier this year. The draft RTS will now be submitted to the European Commission and are expected to apply from 10 July 2026.

Date of publication: 16/10/2025

ESMA: Final report on supervisory expectations for the management body

Status: Final

ESMA published its final report setting out supervisory expectations for the governance arrangements of entities under its direct supervision. These include credit rating agencies, benchmark administrators of EU critical benchmarks and third-country recognised benchmarks, Tier 2 central counterparties, data reporting service providers, securitisation repositories and trade repositories. The report contains feedback from ESMA's July 2024 [consultation](#). Based on the feedback, ESMA has revised its initial proposals to address concerns regarding the prescriptive nature of certain supervisory expectations based on proportionality grounds and the absence of a legal mandate for ESMA to enact regulation in the corporate governance area. As a result, the final framework has been restructured around 12 high-level principles. These principles are designed to condense the previous draft into a set of core expectations and are drafted in the form of outcomes. They are intended to serve as a baseline for entities to build upon and may be applied proportionately, considering each entity's nature, scale and complexity. The more granular expectations contained in the consultation paper have now been reflected under one of the 12 core principles as supporting guidance, as ESMA believes that this guidance still provides useful insights for entities into how it assesses governance and oversight arrangements.

The final supervisory expectations are set out in Annex III of the report. ESMA will begin considering these expectations for the purpose of its supervision three months following publication of this final report, January 2026.

Date of publication: 15/10/2025

ESMA: 2026 annual work programme

Status: Final

ESMA published its 2026 annual work programme, guided by its 2023-2028 strategy. Key priorities include: (i) continuing to build on existing priorities under the savings & investments union (SIU) strategy particularly by aligning supervisory practices across Member States, enhancing market data capabilities and contributing to upcoming reforms designed to create a more integrated and globally competitive EU financial system; (ii) continuing support for key legislative files such as the revised European Market Infrastructure Regulation (EMIR 3) and the European Single Access Point. Other legislative files that may warrant ESMA's involvement include the Retail Investment Strategy, along with the reviews of the Packaged Retail and Insurance-Based Investment Products Regulation, Sustainable Finance Disclosure Regulation and the Securitisation Regulation; and (iii) driving data innovation and market integration through the rollout of the ESMA Data Platform and the development of AI-powered supervisory tools. ESMA will also continue to focus on the effective implementation of the Markets in Crypto Assets Regulation, particularly on the authorisation and supervision of crypto-asset service providers and coordinate closely with market participants on the T+1 settlement cycle towards the agreed implementation date of 11 October 2027.

Alongside the work programme, ESMA published its simplification and burden reduction document, outlining upcoming publications expected in Q1 and Q2 2026 aimed at streamlining regulatory requirements and reducing compliance burdens.

Date of publication: 03/10/2025

3.2 BENCHMARKS

(i) EU

EC: Commission Delegated Regulation (EU) .../... amending Delegated Regulation (EU) 2022/805 as regards fees for the supervision by the ESMA of benchmark administrators endorsing third country benchmarks

Status: Adopted by the EC

The EC Commission adopted a Delegated Regulation amending Delegated Regulation (EU) 2022/805 to update the supervisory fee framework for benchmark administrators under the oversight of the ESMA. This amendment follows the expansion of ESMA's supervisory remit under the revised Benchmarks Regulation (BMR), which now includes EU benchmark administrators endorsing third-country benchmarks. Following the draft published in July, the Regulation introduces application and annual supervisory fees for this new category, aligning them with those applicable to recognised third-country administrators. Notably, fees are differentiated based on whether benchmarks are deemed significant under Article 24 of the BMR, with fixed fees for non-significant benchmarks and turnover-based fees for significant ones. The Regulation also clarifies the calculation of applicable turnover and introduces transitional provisions for administrators recognised or supervised as of 1 January 2026. Specifically, administrators who are already under ESMA's supervision or have obtained recognition before this date will be subject to the new fee framework starting from the 2026 fee cycle.

The changes aim to ensure proportionality ahead of the 31 December transitional deadline for third-country benchmark use in the EU. The Regulation will enter into force on the day following its publication in the OJ.

Date of publication: 29/10/2025

EC: Commission Delegated Regulation (EU) .../... amending the RTS laid down in Delegated Regulation (EU) 2018/1645 as regards the form and content of an application for recognition with the ESMA and in Delegated Regulation (EU) 2018/1646 as regards the information to be provided in an application for authorisation and registration

Status: Adopted by the EC

The EC adopted Commission Delegated Regulation amending the RTS under Delegated Regulations (EU) 2018/1645 and 2018/1646, pursuant to the Benchmark Regulation (EU) 2016/1011. These amendments update the form and content of applications for recognition, authorisation and registration of benchmark administrators, reflecting changes introduced by the BMR recognition regime under Regulation (EU) 2019/2175 as well as further reforms under Regulation (EU) 2025/914 aimed at reducing the regulatory burden on administrators of smaller benchmarks. The amendments to both RTS are consolidated in a single amending Delegated Regulation. Key revisions include enhanced disclosure requirements relating to organisational structure, employees and governance integrity, including self-declarations for management and oversight personnel. Additional provisions address operational separation of the applicant's business, record-keeping and complaint handling mechanisms. Applications must now be submitted electronically and either in the official language of the Member State where the legal representative is established or in a language customary in the sphere of international finance. Personal data retention by national competent authorities and the ESMA is limited to five years after the individual has ceased to perform its function.

The Regulation shall enter into force on the twentieth day following its publication in the OJ.

Date of publication: 27/10/2025

3.3 CONSUMER PROTECTION RULES

(i) EU

ESAs: Joint committee work programme 2026

Status: Final

The ESAs published their 2026 work programme, setting out key priorities for cross-sectoral collaboration for 2026. For more information, please see section 1.1c) above.

Date of publication: 16/10/2025

3.4 MARKET ABUSE

(i) EU

ESMA: Final report on the draft ITS on the extension of the use of the alleviated format of insider lists

Status: Final

ESMA published its final report on the draft ITS extending the use of the alleviated format of insider lists to all issuers under the amended MAR, as mandated by the Listing Act (Regulation (EU) 2024/2809). The draft ITS consolidates the existing five insider list templates into three: two templates for event-based and permanent insider lists applicable to non-SME issuers and SME Growth Market issuers in Member States that have opted out of the simplified regime, and a third template for SME GM issuers under the simplified regime, covering persons with regular access to inside information.

Following its April [consultation](#), ESMA has made no major changes to the templates. It maintained its view that all issuers should report the national identification number of insiders, and where not applicable, their date of birth. ESMA also added a recital clarifying that issuers may include one contact person per external provider with access to inside information. The draft ITS has been submitted to the EC, which has three months to adopt them.

Date of publication: 21/10/2025

3.5 MIFID/MIFIR

(i) EU

ESMA: Final report on draft RTS for the establishment of an EU code of conduct for issuer-sponsored research

Status: Final

ESMA published its final report with draft RTS that establish an EU code of conduct for issuer-sponsored research. The RTS supplement the revised Markets in Financial Instruments Directive, as amended by the Listing Act Directive. Under the revised framework, research distributed by investment firms to clients or potential clients that is paid for, fully or partially, by an issuer must be labelled as “issuer-sponsored research”. No substantive changes have been made following the December 2024 [consultation](#). A feedback statement is included in the final report in section 3. While the code is non-binding, ESMA emphasises that all research providers (whether independent or not) must comply with the EU code of conduct if they wish their analysis to be labelled and distributed as “issuer-sponsored research”, otherwise it would have to be labelled as a marketing communication.

The final draft RTS have been submitted to the EC for adoption, which has three months to decide whether to adopt them. If adopted, they will apply from 6 June 2026.

Date of publication: 22/10/2025

ESMA: Public statement on the transition for the application of the MiFID II/MiFIR review No. 2

Status: Final

ESMA issued a second public statement providing transitional guidance on the application of revised provisions under the MiFID II and MiFIR review. Key updates include the extension of position management controls to derivatives on emission allowances, a new weekly position reporting obligation for trading venues options and the removal of the quantitative test for Systematic Internaliser designation. The single volume cap mechanism (VCM) has now replaced the previous double VCM, with the [first calculation results](#) published on 9 October. Revised transparency rules for bonds, structured finance products, emission allowances and equity instruments will apply from 2 March 2026, with certain RTS 1 provision taking effect 20 days post-publication in the Official Journal of the EU. ESMA also announced the discontinuation of the Financial Instruments Transparency System and Double VCM System reporting flows, aligning with its broader efforts to reduce regulatory burdens. Market participants are advised to prepare for these changes, unless advised otherwise, notwithstanding potential changes in the timing for the adoption of delegated and implementing acts by the European Commission, and should consult ESMA’s technical documentation and Q&A tools for further guidance. ESMA also published an amended version of its [manual on pre-trade and post-trade transparency under MiFID II and MiFIR](#), marked-up with the relevant changes. The update includes two new sections: section 6 dealing with pre-trade transparency for equity instruments; and (ii) section 7 dealing with the input/output data reported to/transmitted by the consolidated tape provider.

Date of publication: 10/10/2025

ESMA: Announcement of publication of SMS for equity and equity-like financial instruments

Status: Final

ESMA announced an upcoming publication of standard market size (SMS) for equity and equity-like financial instruments. This announcement is intended to assist market participants with their preparations to apply the new quoting requirements, even though the official implementation date has not yet been specified. The MIFIR has introduced lower and upper limits to the new quoting obligations for SIs. The revised RTS 1, once published in the OJ in the coming weeks, will introduce several provisions. Although the exact publication date is not yet known, ESMA is pointing out some of these changes now in order to enable market participants to prepare in advance. Among the provisions applicable 20 days after publication are: (i) the minimum quoting size for SIs; and (ii) the threshold up to which transparency obligations apply to SIs.

Date of publication: 08/10/2025



4. Market infrastructure

4.1 CUSTODY RULES

(i) EU

Regulation (EU) 2025/2075 amending the CSDR as regards a shorter settlement cycle in the Union

Status: Published in the OJ

Date of entry into force: 03/11/2025

Date of application: 11/10/2027

Regulation (EU) 2025/2075 amending the CSDR to shorten the settlement cycle for EU transactions in transferable securities from two business days (T+2) to one business day after the trade date (T+1) was published in the OJ. The proposal was first adopted in February and is intended to: (i) promote settlement efficiency and increase the resilience of EU capital markets; (ii) improve the liquidity of EU capital markets; and (iii) eliminate the costs linked to the misalignment of settlement cycles between EU and other jurisdictions.

Date of publication: 14/10/2025

ESMA: Final report on amendments to the RTS on settlement discipline

Status: Final

ESMA published a final report setting out its proposed amendments to the RTS on settlement discipline (Commission Delegated Regulation (EU) 2018/1229) which supplements the Central Securities Depositories Regulation (Regulation (EU) No 909/2014) (CSDR). The final draft RTS aim to improve settlement efficiency across the EU and support the transition to a T+1 settlement cycle by 11 October 2027. Key proposals include: (i) same-day, trade date, timing for trade allocations and settlement instructions, whereby investment firms must ensure professional clients submit allocation and confirmation details by 23:00 CET on the trade date; (ii) machine-readable formats, where allocations and confirmations must be exchanged using standardised, electronic formats that software can easily process; (iii) mandatory implementation of functionalities, including hold and release, auto-partial settlement and auto-collateralisation; (iv) updated provisions for the monitoring and reporting of settlement fails; and (v) a phased-in implementation timeline to begin in December 2026 and conclude by 11 October 2027 to ensure a smooth transition to the new regime. The final draft RTS have been submitted to the European Commission, which has three months to decide whether to adopt them.

Date of publication: 13/10/2025

4.2 EMIR

(i) EU

EC: Commission Delegated Regulation (EU) .../... supplementing EMIR with regard to RTS specifying the operational conditions, the representativeness obligation and the reporting requirements related to the active account requirement

Status: Adopted by the EC

The EC adopted the Commission Delegated Regulation supplementing EMIR, setting out RTS for the new active account requirement introduced by EMIR 3. The RTS follow the European Securities and Markets Authority 2024 consultation and specify the operational conditions, representativeness obligations and reporting requirements for the active account mandate. The RTS specify minimum operational conditions, including legal and technical arrangements to support clearing services and internal systems to handle increased clearing volumes. Firms must also conduct annual stress tests to demonstrate IT connectivity and operational readiness. Reporting is required every six months, with the first report due six months after the Regulation enters into force. The aim is to reduce systemic risk and strengthen the resilience of EU clearing infrastructure.

The Regulation shall enter into force on the twentieth day following its publication in the OJ.

Date of publication: 29/10/2025

ESMA: Consultation on EMIR 3 draft RTS on Participation Requirements

Status: Consultation

Deadline for the submission of comments: 05/01/2026

ESMA published a consultation paper and reply form, setting out draft RTS on the elements to be considered when CCPs define participation requirements. The EMIR 3 revised the participation requirements and mandated ESMA to develop RTS specifying aspects that CCPs should consider when: (i) establishing admission criteria; and (ii) assessing the ability of non-financial counterparties acting as clearing members to meet margin requirements and default fund contributions.

ESMA will prepare the final report and aims to submit the final draft RTS to the EC by the end of Q1 2026.

Date of publication: 09/10/2025

ESMA: Technical standards on CCP authorisations, extensions and validations

Status: Final

ESMA published its final reports under EMIR 3 on: (i) draft RTS on the conditions and list of documents for extensions of authorisation; and (ii) draft RTS on the conditions and list of documents for an application for validation of changes to models and parameters. The final draft RTS follow ESMA's consultation papers published between 7 February and 7 April 2025. The RTS will now be submitted to the European Commission for endorsement, after which they will be subject to scrutiny by the EP and the Council of the EU.

Date of publication: 09/10/2025

ESMA: Q&A on EMIR

Status: Final

ESMA published a Q&A relating to EMIR, regarding the notification of errors and omissions related to exchange-traded derivatives involving multiple Entities Responsible for Reporting (ERRs) managed by the same Management Company/AIFM.

Date of publication: 8/10/2025



5. Anti-money laundering

(i) EU

EBA: Response to the EC's call for advice on six AMLA mandates

Status: Final

The EBA issued a report containing its formal response to the European Commission's (EC) March 2024 [call for advice](#) on six regulatory mandates under the forthcoming EU anti-money laundering and countering the financing of terrorism (AML/CFT) framework. The formal response aims to support the operational launch of the new Anti-Money Laundering Authority (AMLA) and includes the EBA's proposals for the draft regulatory technical standards (RTS) which the AMLA will ultimately adopt.

These RTS separately cover: (i) methodologies for assessing inherent and residual money laundering/terrorist financing risks of obliged entities; (ii) risk assessment criteria for AMLA's selection of institutions for direct supervision; (iii) customer due diligence requirements; and (iv) classification of the severity of breaches and determination of pecuniary sanctions. The EBA also provides preparatory input on two further mandates relating to group-wide information exchange and the base amounts for pecuniary fines. The draft RTS were developed by the EBA with a view to ensuring that regulation delivers effective and efficient outcomes, where legally possible. Responsibility for advancing the proposals now lies with AMLA, in consultation with the EC. Once adopted and endorsed, the instruments will provide a strong foundation for a resilient and well-functioning EU AML/CFT framework, aligned with AMLA's mandate and objectives.

The report was accompanied by a [letter](#) to the EC explaining the rationale behind the EBA's approach to developing the draft RTS in the formal response.

Date of publication: 30/10/2025

EBA: Report on the functioning of AML and CFT colleges in 2024-2025

Status: Final

The EBA released its fifth and final report on the functioning of anti-money laundering and countering the financing of terrorism (AML/CFT) colleges, covering the period from 1 January 2024 to 31 May 2025. Overall, the EBA found that the state of the colleges framework has remained stable since December 2023. It concludes that these colleges have been effective in facilitating information exchange and strengthening AML/CFT supervision across the EU. However, the EBA identifies limited progress by supervisors in addressing two key priorities: (i) applying a risk-based approach in the functioning of AML/CFT college meetings meaning that resources were not always allocated to the most strategically important colleges; and (ii) ensuring systematic, meaningful discussions on coordinated responses to shared risks. From 1 January 2026, oversight of AML/CFT colleges will transition to the new Anti-Money Laundering Authority (AMLA), with the EBA's findings expected to inform AMLA's supervisory framework going forward.

Date of publication: 22/10/2025

ESMA: Report on sanctions and measures imposed in Member States in 2024

Status: Final

ESMA published its second consolidated report on sanctions and measures imposed by national competent authorities in Member States in 2024. The report reveals that over 970 administrative sanctions and measures were issued in financial sectors under ESMA's remit, with the total aggregated value of administrative fines exceeding EUR100 million, an increase compared to 2023. The highest number of administrative sanctions and measures were imposed under MAR, MiFID and MiFIR. The highest amounts of administrative fines for 2024 were imposed under MAR. The more granular data shows that over 60% of all administrative sanctions and measures imposed in 2024 were administrative fines, and 10% were issued using settlement procedures. ESMA also reports that no sanctions or measures were imposed under SFTR or MiCAR, while a measure was issued for the first time under the European Crowdfunding Service Providers Regulation. ESMA highlights discrepancies in sanctioning powers across jurisdictions, including differences in the amounts of fines, number and types of sanctions and measures, and use of settlements.

Date of publication: 16/10/2025

EBA: 2024 Report on supervisory convergence

Status: Final

The EBA released its 2024 annual report on the convergence of supervisory practices across the EU. The report outlines the EBA's ongoing efforts to strengthen the alignment of supervisory approaches across Member States and across key areas of its activities, including prudential, resolution, digital finance, consumer protection and, until the end of this year, anti-money laundering/counter-terrorist financing (AML/CFT). In the area of prudential regulation, the report reflects on findings from its 2024 European Supervisory Examination Programme focused on liquidity and funding risk, interest rate risk and hedging, and recovery operationalisation. The report notes that risk levels in these areas remain stable, though challenges persist around data quality, stress testing scenarios and modelling assumptions. The EBA will continue monitoring risks related to online deposit platforms and compliance with Supervisory Outlier Tests in 2025.

In relation to resolution and crisis management, the report highlights improved coordination and that significant progress has been made in operationalising resolution bail-in tools, particularly the bail-in mechanism in cross-border contexts. On digital finance, the EBA focused on preparing for the implementation of the Markets in Crypto-Assets Regulation, particularly on the supervision of asset-reference token and e-money token issuers. It also supported convergence through an EU-wide supervisory handbook and coordinated workshops. In the area of consumer protection and AML/CFT, the report notes enhanced cooperation and risk-based supervision among national authorities, with the EBA now preparing for the transition of its supervisory responsibilities to the new EU Anti-Money Laundering Authority at the end of 2025. The EBA states that this is a key step towards it implementing the recommendation from its [earlier report](#) on the efficiency of the regulatory and supervisory framework that it should provide a more detailed account of supervisory convergence in the EU.

Date of publication: 15/10/2025

EBA: Report on tackling ML/TF risks in crypto-asset services throughout supervision

Status: Final

The EBA [published](#) a report addressing money laundering and terrorist financing (ML/TF) risks in crypto-asset services, including issuance, trading and service provision. Drawing on lessons from recent supervisory cases across the EU and engagement with national supervisors, the report identifies vulnerabilities in the sector and offers

guidance to strengthen compliance and oversight. It examines strategies used by certain crypto-asset service providers and issuers to side-step national AML/CFT supervision, including through unauthorised operations, forum shopping and improper use of certain regulatory exemptions. The report also outlines safeguards introduced by MiCAR and the AML/CFT regime, stating that effective implementation will depend on proactive monitoring of unauthorised activities, continuous risk identification and strong cross-border cooperation, among others.

Date of publication: 09/10/2025

EBA: Final report on competent authorities' approaches to AML and CFT supervision of banks

Status: Final

The EBA published its final report, concluding a six-year review of the effectiveness of NCAs' approaches to the anti-money laundering and countering the financing of terrorism (AML/CFT) supervision of banks across the EU/EEA. This final report evaluates the actions taken by NCAs in response to the interim bilateral findings and recommendations the EBA provided to NCAs during the course of its review.

The report highlights significant progress by NCAs in adopting risk-based approaches, developing targeted supervisory strategies and enhancing cooperation at both national and international levels, as well as aligning their national strategies and practices with EBA standards. Enhanced supervisory manuals have contributed to more consistent and effective AML/CFT supervision, and supervisory tools are now being used more strategically. While NCAs have made efforts to strengthen information exchange with their national public authorities and NCAs in other EU jurisdictions and third countries, some jurisdictions continue to face challenges in ensuring effective cooperation, particularly in coordinating with prudential supervisors. This report will form part of the EBA's handover to the new EU Anti-Money Laundering Authority (AMLA), providing a comprehensive overview of current supervisory practices and will serve as a foundation for future indirect supervision under the revised EU AML/CFT framework.

Date of publication: 08/10/2025

EC: Letter on the de-prioritisation of Level 2 acts in financial services legislation

Status: Final

The EC published a letter dated 1 October, with accompanying [Annex](#), addressed to the Anti-Money Laundering Authority (AMLA) and the ESAs concerning the de-prioritisation of 430 Level 2 acts in financial services legislation. The EC states that this approach is consistent with its broader objective to improve the effectiveness and efficiency of EU policy implementation, as set out in its [Communication on Implementation and Simplification](#).

It categorises the 430 empowerments granted under Level 1 legislation adopted between 2019 and 2024 into three types: (i) empowerments where it is legally required to act within a specified timeframe; (ii) empowerments where it is legally required to act without a specified timeframe; and (iii) empowerments where it is not legally required to act. Following consultation with the European Parliament and the Council of the EU, and taking into account comments received, the EC identifies 115 empowerments as non-essential for the effective functioning of Level 1 legislation and the achievement of EU policy objectives. These include empowerments under the Capital Requirements Regulation and Directive, the European Market Infrastructure Regulation, the Markets in Financial Instruments Regulation and Directive, the Prospectus Regulation and the Sustainable Finance Disclosure Regulation, and are listed in full in the [Annex](#) to the letter.

Going forward, the EC confirms it will follow a two-step approach: (i) non-essential measures set out in the Annex will not be adopted before 1 October 2027; and (ii) where legal deadlines apply, it proposes to amend or repeal the

relevant empowerments for the non-essential Level 2 acts, in the context of any ongoing amendments to Level 1 acts. A substantial number of the relevant Level 1 acts are also expected to undergo review within the next two years.

Date of publication: 06/10/2025



6. Payments

6.1 PAYMENT SERVICES/E-MONEY

(i) EU

EBA: Work Programme 2026

Status: Final

The EBA published its 2026 work programme, setting out its key priorities and planned initiatives. The programme is driven by three overarching priorities: (i) developing a rulebook to foster a resilient and efficient financial single market, with proposals to simplify rules, improve public sector coordination and assess the framework's impact. This includes continuing work on the EU banking package and advancing proposals on the forthcoming revised Payment Services Directive 3, the Payment Services Regulation and the Financial Data Access Act; (ii) strengthening risk assessment capabilities through improved data, methodologies and oversight under the Digital Operational Resilience Act (for critical ICT third-party providers), Markets in Crypto-Assets Regulation (for supervision of crypto-asset issuers) and European Market Infrastructure Regulation (for validation of initial margin models); and (iii) advancing innovation and technological capacity across the financial sector, with a focus on AI and machine learning, including its contribution to the implementation of the EU AI Act. In parallel, the EBA published a report (EBA/REP/2025/26) proposing ways to streamline the EU's regulatory and supervisory framework, following a comprehensive review earlier this year of four key areas: level 2 and 3 measures, reporting burdens on financial institutions, the EBA's role in the prudential framework and its internal processes. The review resulted in 21 recommendations which are set out in the report.

Date of publication: 01/10/2025

ESMA: Official translations on Guidelines on outsourcing to cloud service providers

Status: Final

The ESMA published official translations of its final report updating the 2021 Guidelines on outsourcing to cloud service providers. For more information, please see section 1.1f) above.

Date of publication: 30/09/2025

6.2 PAYMENT ACCOUNTS

(i) EU

Commission Implementing Regulation (EU) 2025/1979 laying down ITS for the application of the SEPA Regulation with regard to uniform reporting templates, instructions and methodology for the reporting of the level of charges for credit transfers, instant credit transfers and payment accounts, and the share of rejected transactions

Status: Published in the OJ

Date of entry into force: 26/10/2025

Date of application: 26/10/2025

Commission Implementing Regulation 2025/1979 laying down ITS under the SEPA Regulation was published in the OJ. The Implementing Regulation introduces harmonised reporting templates, instructions and a methodology for payment service providers (PSPs) to report on charges related to credit transfers, instant credit transfers and payment accounts, as well as the share of rejected instant credit transfer transactions in a given year arising as a result of asset freezes.

Date of publication: 06/10/2025

6.3 PAYMENT AND SETTLEMENT SYSTEMS

(i) International

FSB: Consolidated progress report for 2025 on G20 roadmap for enhancing cross-border payments

Status: Final

The FSB **published** its consolidated progress report on the G20 roadmap for enhancing cross-border payments. While notable policy milestones have been achieved since the roadmap's launch in 2020, the report highlights that these efforts have yet to yield meaningful improvements for end-users globally. Key performance indicators for 2025 show only a slight improvement since 2023, with improvements in the speed of wholesale payments and remittances, but challenges persist in cost reduction and transparency of information to end-users. The FSB notes it is unlikely for the global roadmap's targets to be met by 2027. The focus for the coming year will be on strengthening monitoring and supporting implementation of the international policies agreed under the G20 roadmap.

Date of publication: 09/10/2025

7. Banking union

7.1 SINGLE SUPERVISORY MECHANISM (SSM)

(i) EU

Regulation (EU) 2025/1958 amending Regulation (EU) 2015/534 on reporting of supervisory financial information under SSM

Status: Published in the OJ

Date of entry into force: 06/11/2025

Date of application: 30/12/2025

The Regulation (EU) 2025/1958 of the ECB, amending Regulation (EU) 2015/534 on the reporting of supervisory financial information (the Financial Reporting Regulation) under the SSM, was published in the OJ. Adopted on 9 September, the Regulation amends the Financial Reporting Regulation to allow the ECB to collect additional data from less significant credit institutions and branches with total assets of EUR3 billion or less. The additional information is considered necessary for the ECB to foster comparability of the outcomes of the supervisory review and evaluation process assessment.

Date of publication: 17/10/2025

8. Institutional supervisory framework

(i) EU

Publication of the Better Data Sharing Regulation

Status: Published in the OJ

Date of entry into force: 10/11/2025

The Better Data Sharing Regulation (Regulation (EU) 2025/2088) was published in the OJ. The regulation introduces targeted amendments to certain reporting requirements in the fields of financial services and investment support. It amends seven foundational EU laws to streamline supervisory reporting and improve data sharing among EU financial authorities. Key features include: (i) a requirement for the European Supervisory Authorities, through the Joint Committee and in cooperation with other EU bodies, to deliver a feasibility report within five years on a cross-sectoral integrated reporting system. Based on its findings and a comprehensive impact assessment, the European Commission may, where appropriate, put forward a legislative proposal; (ii) calls for consistent application of the "report once" principle, whereby authorities should obtain information from other authorities that have already collected it, rather than requesting it again from reporting entities, provided this does not compromise the entities' ability to perform their tasks; (iii) a shift from biannual to annual reporting under the InvestEU Programme; (iv) clarification of the scope and conditions for both mandatory and voluntary data sharing; and (v) encouragement for authorities to enter into memoranda of understanding to support information exchange.

Date of publication: 21/10/2025

EC: 2026 work programme

Status: Final

The EC published a communication alongside a [fact sheet](#) outlining its 2026 work programme, which sets out a comprehensive legislative and policy agenda to strengthen the EU. The programme includes 38 new policy objectives across key areas including energy, defence and digital innovation, among others. Key initiatives include the European Innovation Act, Cloud and AI Development Act and Quantum Act, which seek to accelerate technological progress and support the EU's digital transition. In the area of sustainable finance, the EC includes a package of measures for "the decade ahead" on climate and the Energy Union, aiming to strengthen the EU's climate and energy frameworks. These measures include revising national targets, updating the emissions trading system, and establishing new infrastructure and regulatory frameworks for CO₂ transport, energy efficiency and renewables. A notable focus of the programme is regulatory simplification, with over half of the legislative initiatives designed to reduce administrative burdens and deliver net cost savings, particularly for small- and medium-sized enterprises. The [annexes](#) accompanying the work programme list the new initiatives, pending proposals and those the EC proposes to withdraw, among other elements.

Date of publication: 21/10/2025

ESAs: Joint committee work programme 2026

Status: Final

The ESAs published their 2026 work programme, setting out key priorities for cross-sectoral collaboration for 2026. For more information, please see section 1.1c) above.

Date of publication: 16/10/2025

EBA: 2024 Report on supervisory convergence

Status: Final

The EBA released its 2024 annual report on the convergence of supervisory practices across the EU. For more information, please see section 5 above.

Date of publication: 15/10/2025

ESMA: 2026 annual work programme

Status: Final

ESMA published its 2026 annual work programme, guided by its 2023-2028 strategy. For more information, please see section 3.1 above.

Date of publication: 03/10/2025

EC: EU-UK Joint Financial Regulatory Forum

Status: Final

The EC and the HM Treasury published a summary of the fourth joint EU-UK Financial Regulatory Forum, held in Brussels on 1 October. The Forum was co-chaired by senior officials from the EC and HM Treasury, with participation from several key UK and EU regulatory bodies. The discussion was structured across six key themes: macroeconomic outlook, banking, capital markets, asset management, digital finance and sustainable finance. Discussions highlighted shared priorities, including on financial stability, competitiveness and investor protection. Both sides acknowledged the resilience of their respective financial sectors but agreed on the importance of closely monitoring developments in global financial markets, including in the non-bank sector. Discussions also covered Basel III implementation, securitisation and resolution frameworks, and capital markets updates including the EU's Savings and Investments Union strategy and the UK's proposed "targeted support" regime. On T+1 settlement, both the EU and the UK agreed to coordinate closely as progress continues towards the agreed implementation date of 11 October 2027.

Regarding asset management, both sides acknowledged the benefits of recent cooperation on their respective approaches to MMF reforms and agreed to continue working together to strengthen the resilience of MMFs providing cross-border services. On digital finance, updates were shared on crypto-assets, stablecoins, tokenisation and digital ledger technology. Participants agreed to continue coordinated work with international bodies, such as the FSB, to better understand the global benefits and risks of digital asset innovation. The Forum concluded with updates on sustainable finance, including the EU's Omnibus Simplification Package and the UK's Sustainability Reporting Standards, with both sides reaffirming their support for continued international cooperation regarding sustainable finance standards.

Date of publication: 02/10/2025

EBA: Work Programme 2026

Status: Final

The EBA published its 2026 work programme, setting out its key priorities and planned initiatives. For more information, please see section 6.1 above.

Date of publication: 01/10/2025



9. Investment funds

9.1 PRODUCT REGULATION

a) AIF

(i) EU

ESMA: Final report on draft RTS on open-ended loan-originating AIFs under the AIFMD

Status: Final

ESMA published its final report on the draft RTS for open-ended loan-originating alternative investment funds (OE LO AIFs), pursuant to the AIFMD. Following consultation feedback, ESMA has made the following changes to the draft RTS: removal of the requirement for AIFMs to determine a target-appropriate amount of liquid assets, instead AIFMs must ensure their OE LO AIFs have sufficient liquidity to honour redemption requests; revising the frequency of liquidity stress testing, requiring AIFMs managing OE LO AIFs to conduct such tests at least annually, rather than quarterly as previously proposed; and clarifying certain provisions to improve interpretability. The final draft RTS have been submitted to the EC for adoption but, as the RTS are classified as **non-essential Level 2 acts**, they are not expected to be adopted before 1 October 2027 at the earliest.

Date of publication: 21/10/2025

ESMA: Q&A on consolidated error reporting for exchange-traded derivatives

Status: Final

ESMA published a Q&A (ESMA_QA_2660) on whether reporting counterparties can submit a single consolidated Errors and Omissions Notification for exchange-traded derivatives when multiple Entities Responsible for Reporting (ERRs) which are managed by the same management company or AIFM are involved. ESMA confirms that this is permissible. Firms should specify in their notification that the issue relates to multiple ERRs and include relevant details of all affected ERRs.

Date of publication: 08/10/2025

ESMA: Official translations on Guidelines on outsourcing to cloud service providers

Status: Final

ESMA published official translations of its final report updating the 2021 Guidelines on outsourcing to cloud service providers. For more information, please see section 1.1f) above.

Date of publication: 30/09/2025

b) UCITS

(i) EU

ESMA: Official translations on Guidelines on outsourcing to cloud service providers

Status: Final

The ESMA published official translations of its final report updating the 2021 Guidelines on outsourcing to cloud service providers. For more information, please see section 1.1f) above.

Date of publication: 30/09/2025



10. Special topics

10.1 FINTECH/DIGITAL FINANCE

(i) EU

ESMA: Statement on prioritising cyber risk and digital resilience in 2026

Status: Final

ESMA announced that cyber risk and digital resilience will remain central to its Union Strategic Supervisory Priorities (USSPs) for 2026. This follows strong engagement from NCAs and aligns with the implementation of the DORA, enhancing ICT risk management and supervisory coordination across EU financial markets. ESMA urges NCAs to sustain supervisory momentum into 2026, as coordination between authorities' supervisory work and the DORA oversight framework will be essential. Additionally, NCAs will target supervisory efforts to consolidate achievement under the environmental, social and governance disclosures USSP, with a focus on high-risk areas. ESMA will also consider the potential introduction of new supervisory topics to address emerging risks at the Union-wide level in the following years.

Date of publication: 24/10/2025

ESRB: Report on crypto-assets and decentralised finance

Status: Final

The ESRB published a report highlighting trends and systemic risks associated with the crypto-asset ecosystem, with a particular focus on stablecoins, crypto-asset investment products and multi-function groups:

- ♦ The report notes that global stablecoin market capitalisation has more than doubled since the ESRB's previous assessment in [May 2023](#), driven in part by U.S. policies promoting the adoption of U.S. dollar-denominated stablecoins. The ESRB flag policy challenges in ensuring that stablecoins issued outside the EU that are non-compliant with MiCAR are not widely used within the EU. The ESRB also flags financial stability risks posed by stablecoins jointly issued by EU and third-country entities, noting that such schemes are not explicitly addressed under the current MiCAR.
- ♦ Crypto-asset investment products are also becoming more accessible to both institutional and retail investors, reflecting a deeper integration into mainstream finance. The ESRB notes that the crypto-services market is highly concentrated, especially for custodians, increasing spillover risks into traditional finance. Additionally, most crypto-investment product issuers are based outside the EU. The ESRB considers that greater transparency is needed regarding the connections between non-bank financial institutions and crypto firms.
- ♦ Regarding multi-function groups (MFGs), where crypto-asset products and services are offered by entities within the same group as other financial and non-financial firms, the report highlights supervisory challenges arising from opaque structures and cross-border regulatory arbitrage. The report proposes a taxonomy for classifying MFGs engaged in crypto-activities within the EU, including traditional financial groups and newer entrants such as crypto-focused groups, and highlights key areas for policy attention, focusing on the need to strengthen oversight and coordination, particularly for Category 1 and Category 2a MFGs, which currently dominate the crypto-asset market.

Date of publication: 20/10/2025

ESMA: Q&A on MiCAR

Status: Final

ESMA published two Q&As relating to the Markets in Crypto-Assets Regulation (MiCAR): (i) [ESMA_QA_2653](#) provides guidance on how crypto-asset service providers (CASPs) should distinguish between different types of execution services; and (ii) [ESMA_QA_2654](#) clarifies the respective responsibilities of offerors, persons seeking admission to trading, trading platform operators and other CASPs referenced in Article 66(3) of MiCAR, relating to white papers for crypto-assets (excluding asset-referenced tokens and e-money tokens) that were admitted to trading before 30 December 2024.

Date of publication: 17/10/2025

ESAs: Joint committee work programme 2026

Status: Final

The ESAs published their 2026 work programme, setting out key priorities for cross-sectoral collaboration for 2026. For more information, please see section 1.1c) above.

Date of publication: 16/10/2025

EBA: Response to the EC's proposed changes to the technical standards on liquidity requirements of the reserve of assets under the MiCAR

Status: Draft

The EBA published two opinions in response to the EC's proposed amendments to the draft RTS concerning the composition and liquidity requirements of the reserve of assets under MiCAR. The EBA considers the EC's proposed changes to be inconsistent with the prudential framework established by MiCAR. The first opinion (EBA/Op/2025/13) addresses amendments to the final draft RTS on liquidity requirements of the reserve of assets. The second opinion (EBA/Op/2025/14) concerns amendments to the final draft RTS on the highly liquid financial instruments (HLFI) with minimal market risk, credit and concentration risk.

The EBA supports the EC's proposed drafting amendments. However, it expresses concerns that the amendments could be interpreted as permitting the investments of issuance proceeds into non-HLFI assets, such as commodities or crypto-assets, classifying all money market funds as HLFI while relaxing concentration and look-through limits, and removing undertakings for collective investment in transferable securities concentration rules. According to the EBA, these amendments are incompatible with MiCAR's prudential framework, particularly Articles 36(1)(b) and 38(1) under MiCAR, as they would introduce material liquidity risks, undermine alignment with banking standards and open the door to regulatory arbitrage. The EBA reaffirms its commitment to closely scrutinising the implementation of MiCAR's prudential framework for asset-referenced and e-money tokens, in particular regarding the liquidity, credit and concentration risks of the reserve of assets, and their implications for financial stability.

- ♦ [Opinion on the EC's amendments relating to the final draft RTS to further specify the liquidity requirements of the reserve of assets under Article 36\(4\) MiCAR \(EBA/Op/2025/13\)](#)
- ♦ [Opinion on the EC's amendments relating to the final draft RTS to specify the highly liquid financial instruments with minimal market risk, credit risk and concentration risk under Article 38\(5\) MiCAR \(EBA/Op/2025/14\)](#)

Date of publication: 10/10/2025

EBA: Report on tackling ML/TF risks in crypto-asset services throughout supervision

Status: Final

The EBA published a report addressing money laundering and terrorist financing (ML/TF) risks in crypto-asset services, including issuance, trading and service provision. For more information, please see section 5 above.

Date of publication: 09/10/2025

Commission Delegated Regulation (EU) 2025/1264 supplementing MiCAR with regard to RTS specifying the minimum contents of the liquidity management policy and procedures for certain issuers of ARTs and EMTs

Status: Published in the OJ

Date of entry into force: 23/10/2025

The Delegated Regulation 2025/1264 supplementing MiCAR was published in the OJ. The Delegated Regulation sets out RTS specifying the minimum contents of the liquidity management policy and procedures for certain issuers of asset-referenced tokens and e-money tokens. The RTS aim to ensure that issuers maintain robust liquidity frameworks capable of withstanding both normal and stressed market conditions.

Date of publication: 03/10/2025

EBA: Work Programme 2026

Status: Final

The EBA published its 2026 work programme, setting out its key priorities and planned initiatives. For more information, please see section 6.1 above.

Date of publication: 01/10/2025

ESMA: Official translations on Guidelines on outsourcing to cloud service providers

Status: Final

The ESMA published official translations of its final report updating the 2021 Guidelines on outsourcing to cloud service providers. For more information, please see section 1.1f) above.

Date of publication: 30/09/2025

(ii) Eurozone

ECB: Eurosystem moves to next phase of digital euro project

Status: Final

The ECB Governing Council announced its decision to move on to the next phase of the digital euro project in a letter to Aurore Lalucq, Chair of the EP's ECON Committee. The announcement follows the successful completion of the two-year preparation phase launched in 2023, which laid the groundwork for issuing a digital euro. The digital euro is intended to complement cash by offering a secure, inclusive and resilient public digital payment solution across the euro area. The ECB states the final decision on whether to issue a digital euro, and when, will only be made once the relevant legislation has been adopted, which is expected by 2026. A pilot exercise and initial transactions could begin as early as mid-2027, with the ECB aiming to be technically prepared for a potential first issuance by 2029.

Published alongside the announcement were: (i) a [report on digital euro user research](#); (ii) a [technical report](#) focusing on the workstream led by the dedicated Euro Retail Payments Board; and (iii) an [update](#) from the Rulebook Development Group on the digital euro scheme.

Date of publication: 30/10/2025

(iii) International

FSB/IOSCO: Thematic peer review report on FSB global regulatory framework for crypto-asset activities

Status: Final

The FSB published a thematic peer review report assessing the implementation progress of its 2023 global regulatory framework for crypto-asset activities. As of August this year, the review shows that, while many jurisdictions have made notable progress in regulating crypto-asset activities, there has been slower progress in finalising their global stablecoin arrangements (GSCs). Even where regulatory frameworks have been finalised, alignment with FSB recommendations remains limited, especially regarding stablecoin arrangements and crypto-asset service providers (CASPs). These gaps could pose risks to financial stability and to the development of a resilient digital asset ecosystem.

In response to the concerns, the report sets out eight recommendations to address outstanding issues in the following key areas:

- ♦ Implementation progress – jurisdictions should review their current plans to ensure that, when implemented, they will amount to full implementation of the FSB Crypto Framework. They should also prioritise implementation given the rapid pace of developments in the crypto-asset markets.
- ♦ Comprehensiveness of regulatory frameworks – with regards to their crypto-asset frameworks, jurisdictions should focus on CASP activities that give rise to financial stability risks and implement the supervisory reporting requirements that are relevant in their jurisdiction. With regards to regulatory frameworks for GSCs, jurisdictions should focus on requirements for liquidity risk management, capital buffers, stress testing, user redemption, custody of and eligibility for the reserve of assets and recovery and resolution planning (including insolvency frameworks). Jurisdictions should also improve their data capabilities and infrastructure to be able to monitor financial stability risks within the crypto-asset market and between the crypto-asset market and traditional financial markets.
- ♦ Consistency – the FSB should work closely with standard-setting bodies and international organisations on future work to promote further regulatory alignment for stablecoin arrangements, including through information sharing.
- ♦ Cross border corporation and coordination – when appropriate, jurisdictions should assess the scale and nature of cross-border crypto-asset activity into and out of their jurisdiction and engage in cross-border cooperation. This includes leveraging existing tools and frameworks and developing new bilateral or multilateral arrangements.

The IOSCO also conducted a thematic review on the implementation of its crypto and digital asset framework, publishing its [final report](#) on the same day. The IOSCO report focuses on market integrity and investor protection, assessing the implementation of a subset of ten recommendations from the IOSCO Recommendations. These recommendations cover areas such as governance, conflicts of interest, fraud and market abuse, cross-border cooperation, custody, retail client protections and disclosures. The FSB and IOSCO issued a [joint information note](#) summarising the scope and conclusions of both reports.

Date of publication: 16/10/2025

10.2 AI

(i) EU

EBA: Work Programme 2026

Status: Final

The EBA published its 2026 work programme, setting out its key priorities and planned initiatives. For more information, please see section 6.1 above.

Date of publication: 01/10/2025

(ii) International

BCBS: Report on the use of AI for policy purposes

Status: Final

BCBS published a report examining how central banks, financial regulators and supervisory authorities are increasingly leveraging AI, including generative AI and large language models, for policy purposes. The report outlines the transformative impact of AI on managing large datasets and complex decision-making processes, with real-world examples illustrating how big data and machine learning are transforming key areas of work across monetary and financial stability functions. It also identifies key challenges such as data governance, investment in human capital and the need for robust IT infrastructure. To overcome challenges, collaboration is emphasised, and forming a “community of practice” to share knowledge, data, best practices and AI tools emerges as a promising way forward.

Date of publication: 10/10/2025

FSB: Report on monitoring adoption of AI and related vulnerabilities in the financial sector

Status: Final

The FSB published a report examining how financial authorities can monitor the adoption of AI and assess related vulnerabilities. Building on its 2024 report and drawing on insights from a member survey on AI monitoring approaches, alongside other sources, the FSB highlights that, while AI presents potential benefits such as enhanced efficiency, improved regulatory compliance, advanced data analytics and more personalised financial products, many financial authorities are still in an early stage of monitoring AI-related vulnerabilities. Several data collection challenges remain, including lack of agreed definitions for AI, data gaps and difficulties in assessing the criticality of AI services. In addition, as AI adoption in the financial sector is still evolving, mapping indicators to specific vulnerabilities, ensuring regular data collection, and addressing gaps in monitoring critical areas such as third-party dependencies, market correlations and cyber risks, will help to enhance monitoring initiatives. The report also includes a range of direct and proxy indicators to support monitoring activities, as well as a case study on generative AI (GenAI). It highlights how financial institutions are exploring new use cases, and how GenAI deployment often relies on the critical role of third-party service providers which could lead to operational vulnerabilities and critical dependencies within the AI supply chain.

The report concludes with the following considerations for the FSB, standard setting bodies (SSBs) and national authorities:

- ♦ National authorities should consider ways to enhance their monitoring approaches by leveraging the potential indicators presented in the report. They could seek a more comprehensive understanding of AI usage in the financial sector by fostering greater data sharing across domestic sectoral financial regulators.
- ♦ The FSB and relevant SSBs should continue to support these efforts by facilitating cross-border cooperation, including through sharing information, experiences and good practices, and by working towards greater alignment in taxonomies and indicators where relevant and feasible.
- ♦ The FSB and relevant SSBs are encouraged to continue monitoring AI developments and addressing data gaps. This includes exploring ways to assess vulnerabilities that are particularly challenging to monitor, including market correlations, model risks, data quality and governance, and misaligned AI systems.

Date of publication: 10/10/2025

10.3 SUSTAINABLE FINANCE

(i) EU

EP: Rejection of mandate to enter into negotiations on Omnibus I Sustainability Package

Status: Draft

The EP rejected the negotiating mandate, [adopted by its Legal Affairs Committee](#) on 13 October, on the [Omnibus I package](#) on simplified rules for sustainability reporting and due diligence. The Legal Affairs Committee's report ([A10-0197/2025](#)) was published on 17 October. Members of the European Parliament will vote on amendments to the file at the upcoming plenary session in Brussels on 13 November, after which trilogue negotiations with the Council of the EU and the European Commission may begin. The Council of EU [adopted](#) its mandate in June. The aim is to finalise the legislation by the end of the year.

Date of publication: 22/10/2025

ESAs: Joint committee work programme 2026

Status: Final

The ESAs [published](#) their 2026 work programme, setting out key priorities for cross-sectoral collaboration for 2026. For more information, please see section 1.1c) above.

Date of publication: 16/10/2025

ESMA: Final report on Technical Standards on the European Green Bonds Regulation

Status: Final

ESMA published its final report on the RTS and ITS under the European Green Bonds Regulation (Regulation (EU) 2023/2631). The report follows its April [consultation](#) and outlines ESMA's finalised draft technical standards on various aspects of the external reviewer regime, covering criteria for assessing: (i) the appropriateness, adequacy and effectiveness of the systems, resources and procedures; (ii) whether the compliance function has the authority to discharge its responsibilities properly and independently and for assessing the necessary resources, expertise and access to relevant information; (iii) the soundness of administrative and accounting procedures and internal control mechanisms and the effectiveness of control and safeguard arrangements for information processing systems; (iv) whether the information used when providing reviews is of sufficient quality and from reliable sources; (v) information, form and content of applications for recognition; and (vi) standard forms, templates and procedures to notify ESMA of material changes in the information provided at registration. Following feedback, ESMA has

revised the final technical standards to address concerns around proportionality and costs for compliance, as well as providing clarity on compliance and implementation. ESMA has submitted the final draft RTS and ITS to the European Commission for adoption. They will apply exclusively to ESMA-registered external reviewers from 21 June 2026.

Date of publication: 15/10/2025

ESMA: Final report on RTS under the Regulation on the transparency and integrity of ESG rating activities

Status: Final

ESMA published its final report on three draft RTS under Regulation (EU) 2024/3005 on the transparency and integrity of ESG rating activities. ESMA revised the three RTS to take into account comments received from its May consultation. ESMA has also been mindful of the wider initiative for simplification and burden reduction. As a result, the revisions to the finalised RTS are aimed at removing or clarifying elements which could be considered unduly onerous or ambiguous.

Key changes include the following:

- RTS on authorisation and recognition – ESMA has removed or simplified several information requirements.
- RTS on separation of business – The requirement for a physical separation of staff remains. However other requirements, such as those relating to network segmentation, have been clarified or removed where they were deemed as imposing an excessive burden.
- RTS on disclosures – Several elements have been revised to ensure they are practically achievable by ESG rating providers – Others have been removed when it was judged they did not provide sufficient added value for the burden that was imposed.

ESMA has submitted the finalised draft RTS to the EC for adoption. They will also be subject to non-objection by the EP and Council of the EU. They are expected to apply from 2 July 2026.

Date of publication: 15/10/2025

ESMA: Statement on European common enforcement priorities for 2025 corporate reporting

Status: Final

ESMA outlined the European Common Enforcement Priorities (ECEP) for the 2025 annual financial reports of listed issuers. This year's priorities reaffirm ESMA's commitment to simplification and burden reduction, while maintaining a strong focus on investor protection and market stability. In addition, the statement highlights the importance of connectivity between financial and sustainability information, recent IFRS developments, and consistent use of alternative performance measures. ESMA has also published a fact-finding exercise on the 2024 corporate sustainability reporting practices by European issuers under ESRS Set 1. It examines disclosures on the double materiality assessment process and its outcomes, providing insights on enforcement priorities and future regulatory improvements.

Date of publication: 14/10/2025

(ii) International

ITPN: New global interactive map to track transition plan requirements

Status: Final

The International Transition Plan Network (ITPN) launched a new interactive global map to help track the regulatory status of climate-related transition plans across jurisdictions. The map allocates jurisdictions into one of three categories: (i) mandatory, where rules or guidance are in force; (ii) upcoming, where mandatory rules are under development; and (iii) voluntary, where guidance encourages disclosure. The map will be regularly updated, with stakeholders invited to contribute to its accuracy.

Date of publication: 17/10/2025

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