

2Q25 Regulation Outlook



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Content

The purpose of this report is to gather the main publications with implications for the financial industry issued during the reporting quarter by global, European and local standards providers, regulators and supervisors in the main geographies where Management Solutions operates.

For the purposes of this report the term "regulator" may be used in a broad sense to refer also to standard providers and supervisors.

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Executive Summary

In the second quarter of 2025, at the global level, the ISSB and BCBS advanced the implementation of climate standards and voluntary frameworks for financial risk disclosure and transition plans. In Europe, the EBA and EIOPA promoted new guidelines on liquidity risk, resolution and the integration of ESG risks into risk management, while the new Pillar 3 requirements continued to take shape and the entry into force of the FRTB was delayed

During the second quarter of 2025, regulatory activity continues to advance in consolidating sustainability disclosure frameworks, simplifying sustainability obligations, and strengthening prudential, operational, and resolution practices. There is convergence among jurisdictions toward a common agenda focused on transparency, resilience, and proportionality.

Global

The International Sustainability Standards Board (ISSB) published application guidance for transition plans under International Financial Reporting Standard (IFRS) S2 on climate-related disclosures, as well as draft amendments with voluntary exemptions on greenhouse gas emissions and alternative reporting methodologies. The Basel Committee on Banking Supervision (BCBS) published the final version of its voluntary framework for the disclosure of climate-related financial risks, which national supervisors can use to strengthen Pillar 3 climate practices.

Europe

In Europe, the European Commission approved the Omnibus legislative package, which simplifies the Corporate Sustainability Disclosure Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D), by raising the applicability thresholds and delaying the entry into force of key obligations. The European Banking Authority (EBA) made progress in implementing the latest revision of the Capital Requirements Regulation (CRR3) by publishing the final technical standards on operational risk and completing a consultation on ESG disclosure requirements, which also included a plan to incorporate these obligations into the new Pillar 3 digital reporting environment (Pillar 3 Data Hub). The postponement of the entry into force of the FRTB (Fundamental Review of the Trading Book) until January 2027 was also confirmed. In the insurance sector, the European Insurance and Occupational Pensions Authority (EIOPA) launched its first liquidity stress test for occupational pension funds and initiated consultations to develop technical standards on the new Insurance Recovery and Resolution Framework Directive (IRRFD). The Single

Resolution Board (SRB), for its part, published a consultation paper on the valuation capabilities needed in resolution scenarios, incorporating requirements on data, governance and operational manuals.

Local

The Bank of Spain submitted for consultation an amendment to Circular 4/2017, with a view to adapting accounting regulations to the latest changes in international financial reporting standards (IFRS 9, IAS 1, IAS 8 and IAS 12). In the United Kingdom, the Bank of England and the Financial Conduct Authority (FCA) addressed adjustments to the mortgage lending threshold, outlined expectations regarding implicit support risk (intervention risk), introduced new reporting requirements for international branches and proposed regulatory measures on crypto-assets, including lending, asset locking and decentralized finance.

In Latin America, Colombia was particularly active. The Financial Superintendency of Colombia (SFC) proposed the formal integration of environmental and social risk into credit operations through the SARASOC system, as well as the inclusion of conduct risk in the Comprehensive Risk Management System (SIAR). In addition, it published a circular to adapt the technical reserves regime to the new IFRS 17 framework and extended the deadline for submitting stress test results to September. In Chile, the Financial Market Commission (CMF) moved forward with several proposals, including those on maximum commissions in pension funds, parametric insurance, minimum credit card payments, minimum capital requirements for intermediaries and the prudential treatment of repurchase agreements, derivatives and automobile securitization.

Taken together, these developments reflect a move towards more structured regulatory frameworks that are proportionate and aligned with new financial and non-financial risks. Sustainability, operational resilience, and the modernisation

Regulatory Outlook

In the second quarter of 2025, at the global level, the ISSB and the BSBS advanced the implementation of climate-related standards and voluntary frameworks for financial risk disclosure and transition plans. In Europe, the EBA and EIOPA promoted new guidelines on liquidity risk, resolution, and the integration of ESG risks into risk management, while the new Pillar 3 requirements continued to take shape and the entry into force of the FRTB was delayed

Featured regulatory projections

1. Next quarter

- **(Global) Q3 2025:**
 - ISSB: Redeliberation and possible issuance of amendments to the Exposure Draft on climate-related disclosures.
- **(Europe) Q3 2025:**
 - EBA: i) Adjustment of PD/LGD input floors for credit risk; ii) Final report on Regulatory Technical Standards (RTS) on CVA risk in securities financing transactions; iii) Guidelines specifying the terms substantial cash deposits, appropriate amount of obligor-contributed equity and significant portion of total contracts; iv) RTS on Equity positions (TB-BB Boundary); v) Publication of EU-wide stress test results, iv) Implementing Technical Standards (ITS) on ESG reporting.
 - ESMA: i) Guidelines promoting supervisory convergence under the SFDR, MiFID II, Taxonomy Regulation, CSRD, the Benchmarks Regulation; ii) Final report and publication of draft technical standards on ESEF defining labelling standards for sustainability reporting and for Notes to Consolidated Financial Statements under IFRS.
 - ECB: Final guidance on Governance and Risk Culture.
 - EC: Adoption of the Taxonomy delegated acts.
- **(Chile) Q3 2025:**
 - CMF: i) Regulation for the identification of impaired and renegotiated loans; ii) Amendment to RAN 1-13 to include recovery plan management as a subject of supervisory review; iii) Requirements for the recognition of foreign Central Counterparties (CCPs); v) Amendments to the operating rules of CCPs under the Financial Resilience Law; vi) Minimum credit card payment regulations; iv) Regulation governing the sale and transfer of ownership of insurance companies; v) Exceptions or less burdensome compliance mechanisms under Law 18.876 (DCV).
- **(Colombia) September 2025:**
 - SFC: Results of stress tests required under Circular Letter 034 of 2025.

2. Next year

- **(Europe) 2025:**
 - EIOPA: Revision and expansion of the stochastic valuation content in EIOPA's Supervisory Review Process (SRP) Manual.
 - EBA: i) Final report on the prudential treatment exposures; ii) Retail Diversification Guidelines and Methods Final Document.
 - ENISA: Revised version of the technical guide on cybersecurity measures under the NIS 2 Directive Implementing Act.
- **(Europe) Q4 2025:**
 - EC: i) Revision of the Sustainable Finance Disclosure Regulation (SFDR); ii) Approval of the Securitization Framework; iii) Adoption of the final REACH legislation as part of the Chemicals Industry Package.
 - EBA: Technical package for the implementation of the amended ITS on operational risk, which will include the DPM model, validation rules, and XBRL taxonomy.
 - ESAs: Final designation of CTPPs, publication of the official list, and commencement of oversight activities under DORA.
- **(Europe) December 2025:**
 - EIOPA: Occupational pension funds stress test results.

- **(Europa) Q4 2026:**
 - EC: Circular Economy Act
- **(UK) Q4 2025:**
 - BoE: 2025 Stress Test results.
- **(Brazil) 2025:**
 - SUSEP: i) Disclosure of Financial Information Related to Sustainability, focused on strengthening flood coverage in residential insurance, in line with the priorities of the Regulation Plan; ii) Evaluation of the adoption of IFRS S1 and S2 in Brazil, through a comparative analysis with current requirements (SUSEP Circular No. 666/2022).
- **(Chile) Q4 2025**
 - CMF: i) Regulations on the calculation of risk-weighted assets for savings and credit cooperatives supervised by the Commission; ii) Regulations on the reporting of statistics and supervision of securities entities (Exchanges and Infrastructures); iii) Regulation on complementary activities for entities registered in the RPSF; iv) Reference documents with models for risks not covered by Pillar 1 standards.
- **(Chile) Q1 2026:**
 - CMF: i) Assessment of frictions hindering the development of banks' internal models; ii) Regulation on insurance information other than life annuities; iii) Regulatory adjustments for the implementation of the temporary pension reduction clause (NCG 218, Circulars 1194 and 1815); iv) Regulation on information requirements for parametric insurance; v) Amendment to NCG No. 152, regarding requirements for companies' investment in foreign investment funds; vi) Regulations defining standards of conduct to be followed by banks, insurance companies, and AGFs in their relations with customers.
- **(Chile) Q2 2026:**
 - CMF: i) Rules on the calculation of risk-weighted assets in savings and credit cooperatives supervised by the Commission; ii) Reference documents with risk models not covered by Pillar 1 standards; iii) Open finance system regulations (Annex No. 4 Technical specifications for cost allocation); iv) Regulatory Files on Financial Statements of Securities Intermediaries and Commodity Brokers; v) Complete implementation of the Open Finance System and any modifications to the regulatory framework issued.
- **(Colombia) 2025:**
 - URF: i) Decree on the supervision of information operators; ii) Decree on the architecture of the trust business; iii) Decree updating regulations on the solidarity sector; iv) Draft Decree on Solvency II.

3. More than a year

- **(Peru) Q4 2027:**
 - SBS: Final publication of the standard adopting IFRS 17.

Entry into force dates

1. Next quarter

- **(Global) Q3 2025:**
 - UNPRI: PRI signatories without a public report or that have not met the minimum requirements will be required to report on the full framework.
- **(Europe) July 2025:**
 - EP/Council: Regulation establishing a new EU AML and CFT Authority.
- **(Europe) September 2025:**
 - Council: Regulation on harmonized rules for fair access to and use of data.
- **(UK) July 2025:**
 - FCA: Rules and guidelines introduced by the Consumer Duty with regard to closed products or services.

2. Next year

- **(Europe) Q4 2025:**
 - EBA: Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national sanctions.
 - EC: Transposition of the Omnibus package I & II by December 31, 2025.
- **(Europe) December 2025:**
 - EBA: Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national sanctions.
- **(Europe) 2026:**
 - SRB: Paragraphs 18 and 25 of the operational guidance on operational continuity in resolution (OCIR).

- **(Europe) January 2026:**
 - EP/Council: Member States shall have adopted and published the regulations and administrative provisions necessary to comply with CRD VI amendments (for exercises beginning January 1, 2026).
 - EBA: i) RTS on the calculation and aggregation of crypto exposure values; ii) General application of final guidelines on ESG risk management; iii) General application of guidelines for ESG scenario analysis.
 - EP/Council: Implementation of the Delegated Regulation amending the date of application of the FRTB as a regulatory framework.
- **(Europe) Q1 2026:**
 - Council: Regulation establishing a framework for access to financial data.
- **(Europe) March 2026:**
 - EBA: First reference date for reporting under the amended ITS on operational risk.
- **(Europe) December 2026:**
 - EBA: ITS on ESG risk disclosure, exposure to equity instruments, and aggregate exposure to shadow banking entities.
- **(UK) January 2026:**
 - BoE: Supervisory statement on Step-in Risk.
- **(Brazil) December 2025:**
 - Federal Senate: Entry into force of Law PL 29/2017, which establishes the new general insurance framework in Brazil.
- **(Chile) June 2026:**
 - CMF: Entry into force of NCG No. 537/2025 incorporating interest-free quotas into the National Facilitation Mechanism (MNF).
- **(Chile) December 2026:**
 - CMF: Application of Standard No. 519 amending NCGs No. 30 and No. 461 (December 31, 2026).
- **(Colombia) January 2026:**
 - URF: Mandatory adoption of IFRS 17 as of January 1, 2026.

3. More than a year

- **(Global) January 2027:**
 - IASB: i) IFRS 18 for annual accounting periods beginning on or after this date; ii) Update to the IFRS for SMEs Accounting Standard.
- **(Europe) January 2027:**
 - EBA: i) Final Guidelines on the management of ESG risks for SNCIs; ii) Guidelines on ESG scenario analysis for SNCIs.
 - EIOPA: Application of the amendments to the Solvency II Directive.
 - EP/Council: i) Application of CSRD for large companies not previously subject to the NFRD (wave 2) for financial periods beginning January 1, 2027¹; ii) Enforcement of the FRTB standard; iii) Implementation of the Insurance and Reinsurance Recovery and Resolution Directive (IRRDR).
- **(Europe) July 2027:**
 - EP/Council: i) Regulation on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing (AML/CFT).
- **(Europe) January 2028:**
 - EP/Council: Effective application of the FRTB to calculate the capital requirement.
- **(Europe) July 2028:**
 - EP/Council: Transposition of the CSDDD².
- **(Chile) January 2027:**
 - CMF: First fiscal year in which issuers of securities in general must report in accordance with the ISSB's IFRS Standards S1 and S2, pursuant to Regulation No. 519, for financial statements relating to fiscal year 2026.

¹ Dates updated in accordance with the EC Omnibus package.

² Dates updated in accordance with the EC Omnibus package.

Relevant Publications

This section is a compilation of the most relevant publications published by the R&D area through the FinRegAlert app. This content covers regulatory publications considered to have a particular impact on the financial sector.

These publications are listed according to the geographic scope of the publication and the date of publication.











In addition, the publications have been labelled for information purposes with the most representative topics of the type of content or nature of the publication:

CL	Capital, liquidity & leverage	D	Reporting & disclosure
P	Provisions & NPL	P	Compliance & conduct
E	Supervisory expectations	S	Sustainability
G	Governance	T	Technology y AI
R	Recovery & resolution	O	Others

Index of this quarter's most important publications

Scope	Regulator	Theme	Title	Date	Page
Global	BCBS	S	Final document of the voluntary framework for the disclosure of climate-related financial risks	18/06/2025	11
Global	IAIS	S	Application Paper on the Supervision of Climate-related Risks in the Insurance Sector	21/04/2025	12
Global	IAIS	CL	Guidance on transitioning to a risk-based solvency regime	24/06/2025	13
Global	ISSB	S D	Draft amendments to International Financial Reporting Standard (IFRS) S2 on climate-related disclosures.	29/04/2025	14
Global	ISSB	S	Guidance on transitioning to a risk-based solvency regime under IFRS S2	25/06/2025	15
EU	Council	S	Proposal for the Omnibus package, which simplifies sustainability-related disclosure requirements and due diligence requirements in order to boost the EU's competitiveness	25/06/2025	16

Scope	Regulator	Theme	Title	Date	Page
EU	EBA	CL	Annual assessment reports on banks' internal methods for calculating capital requirements.	09/04/2025	18
EU	EBA	S	First climate risk dashboard for the EU/EEA banking sector	30/04/2025	19
EU	EBA	S D	Consultation paper on draft ITS amending CRR related public disclosure requirements	26/05/2025	20
EU	EBA	S D	Onboarding plan for Pillar 3 Data Hub	27/05/2025	22
EU	EBA	CL	Final drafts of RTS and ITS on capital requirements under Articles 314, 315 and 430 of the CRR	18/06/2025	23
EU	EC	CL	Delegated Regulation amending the date of application of own funds requirements for market risk	13/06/2025	24
EU	EC	S	New Clean Industrial Deal State aid Framework	30/06/2025	25
EU	EIOPA	CL E	Public consultations on group supervision, related undertakings, and volatility adjustments following Solvency II	09/04/2025	26
EU	EIOPA	CL E	Europe-wide liquidity stress test of occupational pension funds	10/04/2025	27
EU	EIOPA	R	First consultation package for the preparation of the implementation of the Insurance Recovery and Resolution Directive (IRRDR)	30/04/2025	28
EU	SRB	R	Public consultation on valuing banks in resolution	04/04/2025	29
Spain	BdE	CL	Public consultation prior to the modification of Circular 4/2017, with the aim of updating the rules on public and confidential financial information, as well as the financial statement templates	10/04/2025	30
UK	BoE	C	Consultation on proposed amendments to the PRA Regulation and the FCA Guide in relation to the de minimis threshold for the loan-to-income flow limit on loans	07/04/2025	31

Scope	Regulator	Theme	Title	Date	Page
UK	BoE		Supervisory Statement (SS) regarding the Prudential Regulation Authority's (PRA) expectations around firms undertaking step-in risk assessments.	25/04/2025	32
UK	FCA		DP25/1 on the regulation of Cryptoasset Activities	09/05/2025	33
UK	BoE		International firms: Updates to SS5/21 and branch reporting	21/05/2025	34
Chile	CMF		Modification to Chapters 21-6 and 8-40 of the Updated Compilation of Banking Regulations (RAN), as well as to General Rules No. 303 and 451	30/04/2025	35
Chile	CMF		Public consultation on new rule on minimum net worth requirements for securities intermediaries and commodity broker-dealers	27/05/2025	36
Chile	CMF		Regulation establishing the formula for the minimum payment on credit cards, along with certain exceptions	06/06/2025	37
Chile	CMF		Regulatory proposal setting the maximum fees to be paid by pension funds	11/06/2025	38
Chile	CMF		Public consultation on parametric insurance	30/06/2025	39
Colombia	SFC		Circular on the guidelines for the stress test scenarios required by the supervisor for 2025	03/04/2025	40
Colombia	SFC		Draft External Circular on instructions for managing environmental and social risks in supervised entities	06/05/2025	41
Colombia	SFC		External Circular on instructions related to the technical reserve regime for insurance companies and the adoption of technical regulatory frameworks for financial reporting applicable to insurance contracts	22/05/2025	42
Colombia	SFC		Draft for the external circular: Guidelines for the management of conduct risk within the framework of the Comprehensive Risk Management System (SIAR)	27/05/2025	43
Colombia	SFC		Circular regarding the rescheduling of the dates for submitting the stress test results required by the supervisor for 2025	25/06/2025	44

Relevant Publications

Global

21/04/2025



BCBS - Final document of the voluntary framework for the disclosure of climate-related financial risks.



1. Context

The integration of financial risks derived from climate change into banking supervision has gained increasing importance in recent years. In November 2023, the BCBS published a consultative document on the disclosure of climate-related financial risks, as part of its work to explore how a disclosure framework under Pillar 3 could strengthen regulation, supervision and banking practices at the global level. The document included illustrative tables and templates aimed at gathering feedback from stakeholders on their usefulness, comparability and potential applicability.

In this context, the BCBS has published **the final document of the voluntary framework for the disclosure of climate-related financial risks**. Its objective is to provide a flexible and coherent structure for banks to disclose qualitative and quantitative information on their exposure to physical and transition risks linked to climate change. Although the framework is voluntary in nature, its implementation may be required by national supervisors within their respective jurisdictions.

2. Main aspects

The final document includes the following changes compared to the consultative version:

- **Replacement of the term “forecasts” with “targets”.** The term “forecasts” has been replaced with “targets”, defined as specific, public, and actionable objectives established by banks to measure and manage their exposure to financial risks derived from climate change.
- **Revision of the reference to materiality.** The expression “regardless of materiality assessment” has been replaced with “where material”, in order to align the content of the framework with the materiality principle established under Pillar 3. This change ensures that entities are only required to disclose information when identified climate risks are truly relevant, avoiding unnecessary reporting and reinforcing the clarity and usefulness of disclosures for users.
- **Removal of the template on facilitated emissions (CRFR5).** Template CRFR5, which referred to the disclosure of facilitated emissions, has been removed from the final framework.
- **Revision of the table on governance and strategy (CRFRA).** The content of table CRFRA has been revised to place greater emphasis on internal processes, policies, and governance mechanisms used by banks to identify, manage, and oversee material climate-related financial risks. The table now includes a higher level of detail regarding the role of the board of directors, required competencies, the integration of climate analysis in strategic planning, and incentives linked to climate-related targets. Additionally, entities are expected to describe how scenario analysis is used in decision-making and how transition objectives are tied to performance metrics.
- **Adjustments to the table on specific risks (CRFRB).** Table CRFRB has been refined through various clarifications to improve the quality and comparability of information related to transition risks, physical risks, and concentration risks. The expected methodologies to identify exposures subject to these risks are now more clearly defined, including materiality criteria, time horizons, scenario usage, and geographical and sectoral breakdowns. Expectations have also been reinforced regarding how banks should assess the vulnerability of certain exposures and describe their monitoring and mitigation processes, especially in sectors or regions with high levels of climate-related risk concentration.
- **Confirmation of the voluntary nature of the entire framework.** Unlike the initial proposal, the final document explicitly states that the entire framework is voluntary and that it is up to each jurisdiction to decide whether to formally adopt it.

3. Next steps

- The BCBS will monitor relevant developments, including implementation of other reporting frameworks and disclosure practices by internationally active banks in member jurisdictions, and consider whether any revisions to the framework would be warranted in future.

21/04/2025

S IAIS - Application Paper on the Supervision of Climate-related Risks in the Insurance Sector



1. Context

As climate-related risks grow in relevance for the financial system, insurance supervisors are increasingly expected to incorporate them into prudential and conduct oversight. Building on earlier work, such as the 2021 Application Paper and climate-related updates to the Insurance Core Principles (ICPs), the IAIS has been working over the past two years to develop a more detailed and updated set of supervisory expectations. This responds to growing demand from supervisors, insurers, and stakeholders for practical tools to identify, assess and manage climate risks within supervisory and industry frameworks.

The IAIS has released its **Application Paper on the Supervision of Climate-related Risks in the Insurance Sector (April 2025)**. This document provides guidance and examples of good practices for insurance supervisors to integrate climate-related risk considerations into their supervisory frameworks. It aligns with the ICPs and aims to promote a globally consistent approach to addressing climate-related risks in the insurance sector.

2. Main points

The Application Paper includes:

- **Role of the Supervisor.** Supervisors should assess the materiality of climate-related risks and integrate them into strategic planning and supervisory practices. The paper presents organizational models for incorporating climate risk and highlights the need for adequate staffing, training, and coordination with other authorities.
- **Corporate Governance (ICP 7).** Insurers are expected to embed climate considerations into their governance frameworks, ensuring board-level oversight, strategic planning, and accountability. Climate-related metrics may be used in variable remuneration policies to reinforce management responsibility.
- **Risk Management and Internal Controls (ICP 8).** Climate risk should be addressed holistically within the insurer's risk management system and internal controls. All control functions (risk, compliance, actuarial, audit) must have adequate knowledge and tools to support climate risk integration.
- **Enterprise Risk Management for Solvency Purposes (ICP 16).** Climate-related risks must be fully integrated into the Enterprise Risk Management (ERM) framework for solvency purposes, as set out in ICP 16. This includes their incorporation into the Own Risk and Solvency Assessment (ORSA), as well as into underwriting policies, Asset-Liability Management (ALM) strategies, and investment decision-making. Insurers should adopt forward-looking approaches that account for the long-term nature of climate risks and embed them into strategic planning and business continuity assessments.
- **Valuation (ICP 14).** Insurers should reflect climate risk impacts in asset and liability valuations using reliable, decision-useful data. Supervisors should verify that methodologies consider climate scenarios and transitions, particularly for long-duration portfolios.
- **Investments (ICP 15).** Investment policies must incorporate both inward (financial) and outward (sustainability) climate risks. Supervisors expect insurers to align portfolios with policyholder preferences and monitor exposures using ESG metrics and scenario analysis.
- **Supervisory Reporting and Public Disclosure (ICPs 9 & 20).** Disclosure and reporting regimes should capture material climate risks, ensuring consistency with financial statements and regulatory requirements. Supervisors may reference International Sustainability Standards Board (ISSB) or other international standards and promote decision-useful indicators.
- **Group Supervisory Issues (ICP 25).** Supervisors should collaborate to ensure coherent climate risk management across insurance groups operating in multiple jurisdictions. Group-wide frameworks must accommodate local legal and regulatory expectations.
- **Macroprudential Supervision (ICP 24).** Supervisors must integrate climate-related systemic risks into their macroprudential monitoring using dashboards, data collection, and cross-sectoral cooperation. Feedback loops and sector-wide scenario exercises are recommended.
- **Scenario Analysis (ICPs 16 & 24).** Scenario analysis helps supervisors and insurers assess exposure to climate pathways and stressors. Exercises should be tailored, forward-looking, and account for jurisdiction-specific risks, using static or dynamic balance sheet assumptions.
- **Market Conduct (ICPs 19 & 21).** Supervisors should address greenwashing, NatCat communication clarity, and fair pricing. They must also monitor sustainability-related misconduct and fraud under existing frameworks for market conduct and consumer protection.

3. Next steps

- The IAIS will host a public background session webinar to discuss the Application Paper on **28 April**.

24/04/2025

CL IAIS - Guidance on transitioning to a risk-based solvency regime.**1. Context**

In recent years, international insurance supervision has evolved towards more risk-sensitive approaches, moving away from models based on fixed formulas or uniform capital requirements. The IAIS has promoted this change by strengthening its Insurance Core Principles (ICP) and developing common standards for insurance groups with international operations. Many countries, particularly emerging economies, are evaluating or initiating processes to transition to risk-based solvency regimes.

In this context, the IAIS has published the **Guidance on transitioning to a risk-based solvency regime**, developed in collaboration with the International Monetary Fund (IMF) and within the framework of the Risk-Based Solvency Implementation Forum (RBSIF). The aim of the publication is to provide practical guidance to supervisory authorities considering replacing their traditional solvency frameworks with an approach more aligned with the risk profile of insurance companies.

2. Main aspects

The guide includes the following main aspects:

- **Risk-based solvency regime and rationale for its implementation.** A risk-based solvency regime is a structured regulatory framework that seeks to align capital requirements with the actual risks assumed by insurers. Unlike traditional systems, it integrates quantitative, qualitative and disclosure elements, promoting a risk management culture, more efficient supervision and greater market stability.
- **General considerations for the transition.** The decision to adopt a risk-based regime should be based on an analysis of the economic environment, the level of financial market development, demographic and cultural characteristics, the maturity of the insurance sector and the institutional capacity of the supervisor. The guide proposes a structured assessment to identify these factors, determine the appropriate type of regime and plan its implementation in a progressive and proportionate manner.
- **Practical aspects of implementation.** The guide proposes a structured roadmap that includes: i) a project start-up phase (definition of objectives, assessment of the current regime, institutional sponsorship and formation of a technical team); ii) the development of a work plan with a timetable, governance, communication and risk management; and finally iii) the design of the project, which may follow a conceptual approach (consultations on principles and objectives) or a legislative approach (consultations on the regulatory framework). The importance of active participation by the insurance sector through consultations, workshops and testing exercises is emphasised, as is the need to anticipate the legislative changes required.
- **Technical aspects of the risk-based solvency regime.** The regime consists of three pillars: quantitative, qualitative and disclosure requirements. Quantitative requirements should be based on a total balance sheet approach, considering the consistent valuation of assets, liabilities and capital, and the measurement of relevant risks using factors, scenarios or models. Qualitative requirements include sound governance, control functions and own risk and solvency assessment (ORSA) as a key element for integrating risk management into the business strategy. Disclosure requirements should ensure transparency, adapting to the complexity and size of institutions through a proportionate and phased approach. The guide recommends avoiding replicating advanced frameworks without adaptation and moving forward progressively according to market and supervisory capacity.
- **International case studies.** The guide draws on experiences of transition to risk-based solvency regimes in 13 countries, including Mexico, Peru, Switzerland, Japan, Korea and South Africa. It analyses previous solvency models, the design and implementation approach, and the timelines used. For example, Peru began its process in 2008 and achieved an enhanced factorised regime in 2023. Other cases, such as Switzerland, Japan and Korea, show transitions that combine internal models and standardised approaches over more than a decade. These examples serve as a reference for adapting timelines, approaches and priorities to local characteristics.

3. Next steps

- The IAIS will hold a **public webinar on Thursday, 26 June 2025, from 13:00 to 14:00 CEST**, to present the Guidelines and answer questions from the public.

29/04/2025



ISSB - Draft amendments to International Financial Reporting Standard (IFRS) S2 on climate-related disclosures



1. Context

As climate transparency becomes essential for global financial markets, the need for harmonised international standards to guide corporate disclosure is growing. In particular, greenhouse gas (GHG) emissions, and especially Scope 3 emissions, have proven to be a technically complex area in terms of both measurement and reporting. At the same time, various jurisdictions are moving towards mandatory adoption of their own frameworks, creating compatibility and consistency challenges for multinational entities.

In this context, the ISSB has published a **draft amendment to IFRS S2 on climate-related disclosures**. The purpose of the document is to provide voluntary relief and technical clarifications on specific requirements related to GHG emissions in order to facilitate the implementation of the standard without compromising the usefulness of the information for users.

2. Main aspects

The draft amendments include:

- **Measurement and disclosure of Scope 3 emissions (Category 15).** It is proposed to allow entities to limit the disclosure of Scope 3 Category 15 emissions to financed emissions only, i.e. those associated with loans and investments. This would involve the voluntary exclusion of emissions from financial derivatives, investment banking activities (facilitated emissions) and insurance activities (insurance-related emissions). Entities opting for this relief must disclose the volume of excluded activities and explain what they consider to be derivatives. This option seeks to reduce the reporting burden without preventing entities from voluntarily reporting these items if they wish to do so.
- **Use of the Global Industry Classification Standard (GICS) in the classification of counterparties.** The draft relaxes the mandatory use of GICS for classifying counterparties in financed issues. Alternative systems may be used when required by regulatory authorities or stock exchanges, or when already in use for other financial or regulatory purposes. Entities must disclose the system used and justify their choice if GICS is not used. This measure seeks to align the requirements of the standard with the operational reality of entities subject to multiple regulatory frameworks.
- **Relief regarding the use of the GHG protocol.** It is clarified that the requirement to measure emissions according to the 2004 Greenhouse Gas Protocol for corporate accounting and reporting will not apply to those parts of the entity where a jurisdictional authority or stock exchange requires a different methodology. In such cases, that alternative method may be applied in part, provided that the regulatory obligation remains in force. This exception is designed to avoid regulatory conflicts and facilitate coordinated compliance with local requirements.
- **Alternative global warming potential (GWP) values.** It is proposed to amend paragraphs B21 and B22 of IFRS S2 in order to extend the jurisdictional relief provided in the Standard. Specifically, if an entity is required, in whole or in part, by a jurisdictional authority or by an exchange on which it is listed, to use GWP values different from those set out in paragraphs B21 and B22, it may apply the values required by that authority or exchange for the part of the entity to which the obligation applies, and for as long as that obligation remains in effect.

3. Next steps

- The period for submitting comments will end on **27 June 2025**.
- During the second half of 2025, the comments will be analysed and the proposals will be redeliberated.
- The final amendments will be published as soon as possible and may be applied in advance.

25/06/2025

S ISSB - Guidance on transitioning to a risk-based solvency regime under IFRS S2



1. Context

In June 2023, the ISSB, a body created by the International Financial Reporting Standards (IFRS) Foundation to develop a global framework of sustainability disclosure standards, published its first two standards: IFRS S1, on general requirements for sustainability-related financial disclosures, and IFRS S2, on climate-related disclosures. These standards aim to establish a common language for companies to report consistently and comparably on the risks and opportunities arising from climate change that may affect their financial position, cash flows or cost of capital.

In this context, the ISSB has published an **application guidance on climate transition disclosures, including transition plans, in accordance with IFRS S2**. The purpose of the document is to facilitate the practical implementation of the standard by helping companies to communicate clearly and in a structured manner how they respond to climate risks and opportunities in terms of strategy, governance and metrics, with a particular focus on the concept of a transition plan.

2. Main aspects

The guide provides practical guidance on applying the requirements of IFRS S2 in four key areas of climate disclosure:

- **Governance.** The guidance details how climate transition oversight processes should be disclosed. It includes criteria for identifying which bodies (such as the board of directors or specialised committees) or individuals are responsible for monitoring climate risks and opportunities. It indicates how to reflect these responsibilities in formal mandates, describe the skills and knowledge available or required, and document the frequency and nature of monitoring. It also addresses the link between climate metrics and variable remuneration systems, both at management level and across the workforce, as well as internal control and assurance mechanisms for reported information.
- **Strategy.** Guidance is provided on how to report on the existence (or absence) of a transition plan and how to structure the associated information: strategic goals, main assumptions, external dependencies (e.g., future regulations, key technologies or availability of financing), time horizon, and degree of development of the plan. The expected effects on the business model and value chain, mitigation and adaptation initiatives, planned operational changes, associated financial planning, and current and anticipated impacts on the financial position, performance and cash flows are also addressed. The use of scenario analysis to inform strategic decisions is also suggested.
- **Metrics and targets.** The guide explains the requirements for reporting climate metrics, highlighting greenhouse gas (GHG) emissions (scopes 1, 2 and 3), the use of internal carbon prices and investment in transition-related activities. It delves into how to present established targets, including their coverage, application period, setting methodology, external validations, interim targets and progress achieved. Specific guidance is also provided on how to report the use of carbon credits to achieve net targets, with details on their type, certification and effective contribution to decarbonisation.
- **General requirements in IFRS S2.** The guide emphasizes the need for consistency and clarity across disclosures. It includes guidance on how to define relevant time horizons (short, medium and long term), how to quantify financial effects of the transition when feasible, and how to justify cases where quantitative estimates are not possible. It also calls for disclosure of progress against previously reported plans and alignment, where applicable, with external benchmarks such as international climate agreements, sectoral pathways or science-based initiatives.

Relevant Publications

Europe

25/06/2025

S Council - Proposal for the Omnibus package, which simplifies sustainability-related disclosure requirements and due diligence requirements in order to boost the EU's competitiveness



1. Context

In recent years, the European Union (EU) has adopted an extensive regulatory program through directives on sustainability reporting (CSRD) and corporate due diligence (CS3D). However, this program has raised concerns among businesses, especially small and medium-sized enterprises (SMEs), regarding the complexity and administrative burden of implementation. In response, EU leaders called for urgent simplification measures in the wake of the Enrico Letta (Much more than a market) and Mario Draghi (The future of European competitiveness) reports, which stressed the need to enhance European competitiveness and reduce regulatory burdens. On 26 February 2025, the European Commission (EC) proposed two Omnibus packages to simplify sustainability and investment rules. EU leaders urged swift progress, including the adoption of a Stop-the-clock mechanism, which has already been adopted by the Council on April 14, 2025, and published in the Official Journal of the EU (OJEU).

In this context, the Council has approved **the proposal for the Omnibus package, which simplifies sustainability-related disclosure requirements and due diligence requirements in order to boost the EU's competitiveness**. This proposal aims at simplifying the directives on CSRD and CS3D by reducing the reporting burden and limiting the trickle-down effect of obligations on smaller companies.

2. Main aspects

The simplified mandate contains the following key aspects:

- **Revised scope of CSRD.** The Council supports the EC's proposal to reduce the reporting burden on companies and achieve the information objectives in a more proportionate manner, whereby the obligation to prepare and publish sustainability reports at individual level should be limited to companies with a net turnover of more than €450 million (compared to €50 million in the Commission's February 2025 proposal) and an average of more than 1,000 employees during the financial year. Companies, groups, and issuers that do not meet this threshold will remain free to submit sustainability reports on a voluntary basis, supported by the new voluntary sustainability reporting standards.
- **Revised scope of CS3D.** Although the EC had not considered changes to the scope of application of the CS3D, the Council, in light of the considerable regulatory burden imposed by due diligence obligations and in order to ensure proportionality, has raised the thresholds for the applicability of the CS3D to companies with more than 5,000 employees (compared to the 1,000 initially envisaged) and €1.500 million euros of net turnover (instead of the 450 million proposed by the Commission). This adjustment is in line with the objective of simplification, by limiting obligations to larger companies, which are those that have the greatest influence on value chains, those that have the most significant impact on human rights and the environment, and those that have the capacity to apply due diligence effectively.
- **Risk-based due diligence approach.** The Council's mandate confirms the approach proposed by the Commission in February 2025, which already provided for a shift from an entity-based to a risk-based approach to due diligence under the CS3D. Companies will be required to carry out a scoping exercise focusing on areas where actual or potential adverse impacts are most likely and severe, rather than conducting a comprehensive mapping of their entire value chain. The obligations are limited, as already proposed in the Commission's draft, to the company's own operations, its subsidiaries and its direct business partners (level 1). However, if objective and verifiable information points to risks beyond level 1, companies will have to carry out in-depth assessments at lower levels of the chain.
- **Simplified climate transition plans.** The obligation to adopt a transition plan for climate change mitigation under the CS3D has been substantially revised to reduce the burden and provide legal clarity. The Council specifies that the plan must include implementation measures, both planned and adopted, and that the objective is to ensure, through reasonable efforts, that the company's business model and strategy contribute to the transition to a sustainable economy and to limiting global warming. While the plan is aligned with the CSRD reporting framework, the legal obligation to adopt it remains anchored in the CS3D. The design elements of the plan, previously detailed in Article 22(1) of the CS3D, become optional, and companies are granted a two-year transition period from the date of application (July 26, 2029), during which the adoption of the plan is voluntary, extending the obligation until July 2031.
- **Civil liability framework maintained.** The Council confirms the deletion of Article 29(1) of the CS3D, thereby removing the harmonized civil liability regime at EU level. Member States will no longer be

required to ensure that their national liability rules apply as mandatory provisions in cases where the claim is governed by foreign law. This also includes the deletion of the obligation to allow representative actions, as previously established at EU level. Instead, liability for damage caused by a breach of due diligence obligations will be governed by national rules, subject to the EU principles of effectiveness and equivalence. Member States shall continue to ensure that affected persons or communities have access to full compensation, without excessive compensation, and may choose, although they shall no longer be obliged to do so, to give mandatory effect to their liability provisions where foreign law would otherwise apply.

- **New transposition date for CS3D.** The Council's mandate sets a new deadline for the transposition of CS3D, which is now July 26, 2028. This date represents a second postponement, as the original deadline was July 2026, which was first extended to July 2027 by Directive (EU) 2025/794 (Stop-the-clock). The current mandate now adds a further year, confirming that Member States must transpose the Directive by that date. At the same time, the Council mandate provides that the Directive will apply to all companies falling within the revised scope from a single date of application, July 26, 2029. This replaces the previously envisaged phased implementation (in waves), as the text no longer distinguishes between categories of companies or staggered timetables. The combination of a uniform implementation date (Article 37(1)) and significantly higher applicability thresholds confirms that the Directive will apply simultaneously to all companies within its scope.

	Commission Proposal (Feb 2025)	Council Mandate (June 2025)
CSRD		
Scope	> 1,000 employees and > €50 million in net turnover or > €25 million in total balance sheet	Maintains > 1,000 employees and raises to > €450 million in net turnover
CS3D		
Scope	> 1,000 employees and > €450 million	Raised to > 5,000 employees and > €1.5 billion
Climate transition plans	Immediate obligation from the date of application; mandatory content; based on best efforts	Adoption of the plan will be voluntary during the first two years from its application (26 July 2029); obligation postponed to 2031; content is optional; based on the standard of reasonable efforts
Civil liability	Proposes the removal of the Harmonised framework	Confirmation on the harmonised framework removal
Transposition	26 July 2026	26 July 2028 (second postponement following Stop-the-clock)
Application	Phased application by waves, starting in 2027	Single application date of 26 July 2029 for all in-scope companies

3. Next steps

- The Council's agreement enables the Presidency to begin negotiations with the European Parliament (EP) once it adopts its own position.
- If adopted, Member States will be required to **transpose** the CS3D by **26 July 2028**, and companies within scope will need to **comply** with the directive as of **26 July 2029**.
- The obligation to adopt climate transition plans will remain **optional for the first two years**, becoming **mandatory** only **from 26 July 2031**.

09/04/2025

CL EBA - Annual assessment reports on banks' internal methods for calculating capital requirements**1. Context**

The EBA carries out annual evaluations of the internal approaches that financial institutions use to calculate capital requirements. These evaluations are part of the Capital Requirements Regulation (CRR), which establishes prudential standards for credit institutions in the European Union (EU). The CRR allows institutions to use internal models to determine risk-weighted assets (RWA), provided they have the approval of the competent authorities. The EBA assists these authorities by providing reports that include references to identify significant differences in RWA results. This evaluation and supervision process aims to ensure the consistency and reliability of the internal models used by financial institutions across the EU. In this context, the EBA has published the annual assessment reports of banks' internal methods for calculating capital requirements: the report on the results of the 2024 benchmarking exercise on risk.

In this context, the EBA has published its **annual assessment reports on banks' internal methods for calculating capital requirements**, including: i) the report on the results of the 2024 benchmark exercise on credit risk; ii) the report on the results of the 2024 market risk benchmarking exercise under the ASA of the FRTB, and iii) the report on the results of the 2024 market risk benchmarking exercise under the IMA. The objective of this publication is to ensure the consistency, comparability and reliability of the internal models used by institutions, identifying possible significant deviations that may compromise an adequate risk measurement and, consequently, the soundness of the European financial system.

2. Main points

The assessment includes the following documents:

- **Report on the results of the 2024 benchmarking exercise on credit risk.** The 2024 benchmarking exercise on credit risk examined the consistency and quality of the internal models used by banks to calculate key parameters such as probability of default (PD), loss given default (LGD) and credit conversion factors (CCF). According to the EBA, stability was observed in the variability of RWA, together with a continuous improvement in the implementation of good practices in internal credit risk models (IRB). Although some specific portfolios still show high dispersion, the competent authorities evaluated most of the cases, adopting corrective measures when necessary. The objective continues to be to reinforce the coherence, comparability and robustness of the models used to determine capital requirements for credit risk in the European banking system. Although some dispersions were significant, most of the differences observed could be adequately justified, so no generalized unjustified weaknesses were identified. However, the EBA urges continued improvement in data quality and consistent application of IRB methodologies.
- **Report on the results of the 2024 market risk benchmarking exercise under the IMA.** The report analyzes the results of the 2024 assessment exercise on the internal models used by European banks to calculate capital requirements for market risk. The variability in initial market valuations (IMV) was generally low, although slightly higher than in the 2023 exercise, while risk measures such as value at risk (VaR), stressed value at risk (sVaR) and incremental risk charge (IRC) showed less dispersion than in previous years. This improvement is attributed to a greater degree of homogeneity in the application of methodologies and to better quality in the submission of data. However, differences persist, explained by modeling choices allowed in the CRR, diverse supervisory practices and errors of interpretation, which motivated specific interventions by the competent authorities in the face of unjustified deviations.
- **Report on the results of the 2024 market risk benchmarking exercise under the FRTB ASA.** As a novelty, the EBA evaluates in this document the implementation of the ASA established by the FRTB, with special focus on the sensitivity-based method (SBM). In the 2024 exercise, the EBA collected data for the first time on the capital requirement for default risk (DRC) and reserve risks and other adjustments (RRAO), which allowed for a more comprehensive view of the IMA. It is emphasized that the ASA results generally showed greater consistency than those of the internal models approach, although some recurring errors were detected, such as the incorrect inclusion of exchange rate (FX) sensitivities, problems in the allocation of sensitivities (bucketing) and difficulties in the application of aggregation formulas. The EBA proposes to continue improving regulatory instructions and supervision to strengthen comparability and reduce persistent errors in future exercises.

3. Next steps

- The EBA points out that future assessment exercises will be adapted to the evolution of regulatory frameworks, including the alternative internal approach (AIMA) and adjustments in hypothetical portfolios to improve comparability between entities. Improvements are also anticipated in data submission instructions and in the treatment of problematic components such as FX risks.

30/04/2025

S EBA - First climate risk dashboard for the EU/EEA banking sector



1. Context

The EBA plays a key role in ensuring effective and consistent prudential regulation and supervision across the European Union (EU) banking sector. In recent years, climate-related financial risks have emerged as a significant concern for both regulators and financial institutions, due to their growing potential to impact credit portfolios, market valuations, and business continuity. To support the integration of environmental risks into supervisory frameworks and financial decision-making, the EBA has been actively working to enhance data transparency and risk assessment practices within the EU banking system.

In this context, and in line with the disclosure requirements set out in the Capital Requirements Regulation (CRR), the EBA has published its **first climate risk dashboard providing key indicators on the exposure of EU banks to climate-related risks**. The dashboard offers a visual and accessible representation of aggregated climate risk data, aiming to improve transparency and support supervisors, institutions, and other stakeholders in identifying risk concentrations and trends.

2. Main points

The dashboard includes the following main characteristics:

- **Five core climate risk KPIs.** The dashboard presents five key performance indicators (KPIs) designed to assess climate-related exposures across the EU banking sector. These are: i) exposure to carbon-related sectors (high-emitting industries); ii) exposure to physical climate hazards; iii) energy efficiency of real estate collateral; iv) green Asset Ratio (GAR); and v) bank lending to taxonomy-aligned activities (beyond GAR). These KPIs are based on institutions' Pillar 3 ESG disclosures and provide a harmonised snapshot of environmental risk across the banking system.
- **Coverage of transition and physical risks.** The indicators reflect both transition risks (e.g. exposure to carbon-intensive sectors) and physical risks (e.g. exposures in areas vulnerable to floods or extreme weather), offering a dual lens on climate vulnerability.
- **Comparison across countries and institutions.** The tool allows for benchmarking across EU/EEA countries and banks, helping supervisors and stakeholders identify risk concentrations and outliers in climate risk exposure.
- **Based on Pillar 3 ESG disclosures.** All data is sourced from institutions' Pillar 3 disclosures, particularly those submitted as of 31 December 2023. This ensures consistency with regulatory reporting and improves comparability.
- **Designed to support supervisory evaluation.** The dashboard serves as a regulatory monitoring tool that supports supervisory activities by offering a consolidated and standardised climate risk data view.
- **Main conclusion from the dashboard.**
 - **High exposure to high-emission sectors.** Over 70% of exposures in most countries are directed towards sectors that significantly contribute to climate change, highlighting considerable exposure to transition risks.
 - **Relatively contained physical risk exposure.** On average, less than 30% of exposures are located in areas facing elevated physical risks. However, differences in data granularity and methodologies across institutions suggest that figures should be interpreted with caution.
 - **Energy efficiency of real estate collateral:** Approximately half of real estate lending is backed by properties classified within the top two energy efficiency categories.
 - **Low Green Asset Ratio (GAR):** The average GAR stands slightly below 3%, reflecting the early stages of the economic transition and the current limited alignment of activities with the EU Taxonomy.

3. Next steps

- The EBA plans to **update the climate risk dashboard on a regular basis**, incorporating newly reported data from Pillar 3 ESG disclosures

26/05/2025

S **EBA - Consultation paper on draft ITS amending CRR related public disclosure requirements**

D



1. Context

In recent years, the European Union (EU) regulatory framework on prudential disclosure has evolved with the aim of increasing transparency and strengthening market discipline. In particular, the amendment to the Capital Requirements Regulation (CRR3) introduced new disclosure requirements relating to environmental, social, and governance (ESG) risks, as well as exposures to capital instruments and shadow banking entities. This development is part of the mandates conferred on the EBA through the Banking Package, as part of its strategic roadmap to strengthen the quality and comparability of prudential disclosures, in line with other legislative initiatives such as the Omnibus package, Fit for 55, and the EU's sustainability agenda. The consultation also draws on lessons learned from the experience gained with the initial implementation of the Pillar 3 requirements, including the questions and answers (Q&As) handled by the EBA in recent years.

In this context, the EBA has published for **public consultation a set of Implementing Technical Standards (ITS) aimed at adapting the Pillar 3 framework to the new CRR3 mandates**. This ITS involves extending disclosure requirements to a larger number of entities, but with a proportional approach based on their profile, and alignment with other relevant regulatory frameworks, in particular the Taxonomy Regulation and its Delegated Regulation (EU) 2021/2178.

2. Main points

The document covers the following key aspects:

- **Extensión del ámbito de aplicación de las divulgaciones ESG.** The ITS proposal extends ESG risk disclosure requirements to a wider range of entities, beyond large listed entities.
- **A proportional and simplified approach based on the type of institution.** To implement this extension effectively, the EBA proposes a proportionate approach with three levels of templates: i) a comprehensive set for large listed and unlisted entities; ii) a simplified set for other listed entities and large subsidiaries; and iii) a basic set for SNCIs and other unlisted entities. The latter will only be required to disclose key information on physical and climate transition risks, as well as exposures to the fossil fuel sector.
- **Full alignment with the Taxonomy Regulation.** In order to avoid duplication and ensure consistency between regulatory frameworks, a direct reference to the templates set out in Delegated Regulation (EU) 2021/2178 is included in the Pillar 3 ITS. This automatic link ensures that any future amendments to the Taxonomy Regulation are directly transposed into the prudential disclosure framework without the need to revise the ITS. In this way, the information disclosed will be identical under both frameworks, simplifying regulatory compliance and reducing the operational burden for institutions.
- **Adjustments to the remaining disclosure templates on ESG risks.** The remaining templates have been adjusted to incorporate some relevant changes, such as the following: 1) alignment of the disclosure requirements on financed emissions in template 1, on credit quality by sector, with the requests of the Short Term Exercise; 2) breakdown of underlying loans in secured bonds in template 2, on loans secured by real estate; 3) the incorporation in template 3, on emissions intensity by sector, of new information such as the breakdown of the base year and the target of the IEA NZE 2050 to 2030 scenario; 3) in template 4, it clarifies that the Top 20 list chosen as a reference must be public; 4) in template 5, on physical risk, limits the number of templates to be reported and incorporates the breakdown of various physical hazards (temperature, wind, water, and mass movement); 5) template 9, on the BTAR, becomes voluntary and allows estimates for non-financial companies not subject to NFRD/CSRD.
- **Inclusion of new disclosures on exposures to shadow banking entities.** Article 449b of CRR3 introduces a new obligation to disclose exposure in this type of entity, with the aim of strengthening the market's ability to identify interconnections outside the regulated perimeter. Although at an early stage consideration was given to including a breakdown by type of entity, it was ultimately decided to maintain a single, simple template, in line with the reporting frameworks already established for concentration risk and aggregate exposure in the CRR itself. This decision is part of a broader future review of the supervisory framework applicable to these exposures.
- **Revision of requirements on exposures to capital instruments and sectoral credit quality.** In line with the prohibition on the use of the internal ratings-based (IRB) approach for exposures to equity instruments, established by CRR3, except for transitional exceptions in Article 495a, the EBA has amended the content of template EU CR10.5, used to disclose such exposures under the standard approach. The template will only include the total amount of exposures subject to Articles 133(3) to (6) and 495a(3) of CRR3, removing columns on risk weights and expected losses. The EU CQ5 template on credit quality by industry is also updated to reflect the new NACE Rev.

3. Next steps

- The public consultation period will be open until **August 22, 2025**.
- Affected entities will begin applying the new ITSs with a reference date of **December 31, 2026**.
- Large listed entities will continue to apply the current prudential disclosure framework - Implementing Regulation (EU) 2024/3172 - until **December 31, 2026**, with the exception of templates related to the Green Asset Ratio (GAR) and the Taxonomy Regulation (templates 6 to 10), whose application is also suspended until that date.

27/05/2025

S EBA - Onboarding plan for Pillar 3 Data Hub

D



1. Context

Since the adoption of the Capital Requirements Regulation (CRR) and its development through technical implementation standards (ITS), the EBA has progressively strengthened the transparency mechanisms of financial institutions. In particular, Pillar 3 has become a key component in improving market discipline by establishing public disclosure requirements that institutions must comply with. Within this framework, the EBA has developed a centralized digital platform, the Pillar 3 Data Hub (P3DH), with the aim of facilitating the collection, access, and analysis of regulatory disclosure information, allowing competent authorities and the general public more efficient, consistent, and timely access to data.

In this context, the EBA has published the **operational implementation plan for institutions to join the new Pillar 3 Data Hub**, which aims to detail the process for institutions to join the new digital reporting environment. This initiative is part of the EBA's efforts to operationalize the first phase of the P3DH implementation, initially covering large institutions and other relevant institutions, and ensuring a structured and phased integration process through the European Centralised Infrastructure for Supervisory Data (EUCLID) platform.

2. Main points

The onboarding plan outlines the following procedural steps that institutions need to follow to ensure timely and accurate submissions of Pillar 3 information:

- **Step 1, on collecting bank representative's contact details.** The EBA has initiated the process by requesting the competent authorities (CAs) to provide the details of the chair of the administrative body of each institution, who is responsible for identifying the appropriate internal contacts for fulfilling the P3DH obligations. This step, which takes place uniformly for all institutions between May and June 2025, serves as the foundation for subsequent onboarding phases, ensuring that the right institutional representatives are positioned for the next interactions with the EBA.
- **Step 2, on sending an individual letter from the EBA to institutions.** Starting in June 2025, the EBA will send a personalized letter to each institution, including detailed instructions on the data to be submitted, the relevant deadlines, and a data protection notice explaining how personal information will be processed. This communication applies to all groups setting the stage for the staggered rollout in the next phases: i) Group A which are mainly large institutions at the highest level of consolidation in the EEA and selected large subsidiaries, including those that participated in the P3DH pilot; ii) Group B which are the remaining large institutions at the highest level of consolidation in the EEA and other institutions at this level; iii) Group C which are the remaining other institutions at the highest level of consolidation; and vi) Group D which are large subsidiaries not selected for Group A.
- **Step 3, on submission by institutions of contact persons information.** Institutions must submit the details of three designated contact persons, along with the institutional email domains, using a template provided by the EBA. Here, the timeline splits by group where Group A and Group B are expected to complete their submissions between June and September 2025 and Group C and Group D are scheduled to submit between October and November 2025. This staggered approach ensures a manageable and orderly onboarding process across institutions of varying size and complexity.
- **Step 4, on creating user accounts.** With the received information, the EBA will set up user accounts using the Microsoft Entra ID system, providing the designated contacts with secure credentials to access the EUCLID platform for Pillar 3 submissions. Again, the groups follow the staggered timeline, where Groups A and B will go through account setup during Q3 2025 User Acceptance Test (UAT) phase, which involves a pilot run with 50 selected institutions, while Groups C and D will complete this step in November–December 2025, following the completion of the initial pilot phase.
- **Step 5, on sending the access invitation and activating the account.** Once the accounts are created, the EBA will send each designated user an access invitation. Upon first login, users must set up multi-factor authentication (MFA), after which they will have full access to the platform, with MFA required for all future logins. The activation timeline aligns with the earlier phases, Groups A and B will activate their accounts in November 2025, after completing the UAT, and Groups C and D will finalize activation in late November through December 2025, ensuring that all institutions are onboard and ready to submit Pillar 3 data through the platform by the end of the year.

18/06/2025

CL EBA - Final drafts of RTS and ITS on capital requirements under Articles 314, 315 and 430 of the CRR**1. Context**

Regulation No. 575/2013 on Capital Requirements (CRR), amended by CRR 3, introduced a new standardized approach (SA) for calculating operational risk, based on an aggregate activity indicator, the Business Indicator (BI). This new framework requires institutions to calculate their capital requirement for operational risk by applying a fixed percentage to this indicator, with specific adjustments in cases of corporate transactions such as mergers or disposals. To ensure harmonized implementation of the new approach, CRR included a mandate to the EBA to develop technical standards specifying essential aspects such as the composition of the BI, permitted adjustments, and supervisory reporting. These mandates are part of Phase 2 of the EBA's roadmap for the implementation of the European Union (EU) Banking Package.

In this context, the EBA has published a set of **RTS and ITS that develop the provisions of Articles 314, 315, and 430 of the CRR**. Specifically, it details the list of items that must be included and excluded from the BI (Article 314.9), the mapping of these items to FINREP formats (Article 314.10), the conditions and procedure for applying adjustments to the indicator after structural operations (Art. 315.3), and the formats and instructions for supervisory reporting (Art. 430.7). The aim is to provide institutions and supervisors with a clear, consistent, and effective technical framework for applying the new capital requirements for operational risk.

2. Main aspects

The EBA publication includes the following ITS and RTS:

- **RTS on the calculation and adjustments of the BI.** This RTS develops the provisions of Articles 314(9) and 315(3) of the CRR/CRR3 and details the methodology for calculating the BI, a central component of the new standardized approach to operational risk. Specifically, it specifies: i) the elements that should be included and excluded from the BI; ii) how adjustments to the indicator should be determined in the event of corporate transactions such as mergers, acquisitions, or divestitures; and iii) the conditions and timetable under which competent authorities may authorize such adjustments. This RTS aims to ensure consistent, proportionate, and harmonized application of capital requirements for operational risk across the EU.
- **ITS on mapping to FINREP.** This ITS is issued pursuant to Article 314(10) of the CRR and aims to align the elements of the BI with the existing cells of the financial reporting framework, in accordance with Implementing Regulation 2021/451 on the financial reporting framework (FINREP). Its application will enable effective data traceability, greater consistency between BI calculation and accounting reporting, and a reduction in operational and administrative costs for institutions.
- **Amending ITS on operational risk reporting.** This ITS, issued under Article 430(7) of CRR 3, amends the current supervisory reporting framework to reflect the changes introduced by the new regulatory approach. It includes updates to the formats, instructions, and technical solutions associated with operational risk reporting, with the aim of keeping the supervisory framework aligned with current regulations, facilitating its practical application, and preserving its usefulness for supervisory authorities.

3. Next steps

- The first applicable reference date for reporting under the amending ITS on operational risk reporting is **March 31, 2026**.
- To facilitate this implementation, the EBA will publish a technical package during **Q4 of 2025**, which will include: (i) the data point model (DPM), (ii) validation rules, and (iii) the eXtensible Business Reporting Language (XBRL) taxonomy. These elements must be used by institutions to submit this supervisory information to the competent authorities.
- An updated version of the mapping tool between supervisory reporting and disclosure requirements for operational risk will be published shortly.

13/06/2025

CL EC - Delegated Regulation amending the date of application of own funds requirements for market risk**1. Context**

The revised framework for market risks, called the Fundamental Review of the Trading Book (FRTB), was developed by the Basel Committee on Banking Supervision (BCBS) after the 2008 financial crisis, with the aim of correcting deficiencies in the capital requirements applicable to trading books. In the European Union (EU), its implementation has been carried out in two phases. The first took place in 2019, with its introduction as an information requirement through the reform of the Capital Requirements Regulation (CRR II). The second came in 2024, with the approval of CRR III, which establishes the mandatory application of FRTB as a capital requirement from 1 January 2026. However, the lack of effective implementation in key countries such as the United States (which has not yet defined a clear timetable) and the United Kingdom (which has postponed its application to 1 January 2027) has raised concerns about the potential competitive impact on European institutions. It should be noted that other jurisdictions such as Switzerland, Canada, Singapore, Hong Kong and Japan have already implemented the new framework.

In this context, the EC has published a **Delegated Regulation amending the date of application of own funds requirements for market risk**. The aim of this publication is to postpone the entry into force of the FRTB as a mandatory capital requirement in the EU by **one additional year, until 1 January 2027**, in order to maintain a level playing field with other international jurisdictions.

2. Main aspects

The new Delegated Regulation covers the following key aspects:

- **Postponement of the entry into force of the FRTB.** The mandatory requirement for own funds associated with market risk under the new FRTB framework is postponed until 1 January 2027.
- **Effects on related areas.** This extension also has an impact on complementary elements, such as the definition of the boundaries between the trading and non-trading books, reporting and disclosure requirements, the application of the output floor to market risk and the performance of benchmarking exercises by supervisors.
- **Reporting obligations during the transitional period.** Institutions must continue to submit regulatory information on market risk capital in accordance with the pre-FRTB approaches. They must also continue to publish this data under the current criteria, thus ensuring transparency vis-à-vis authorities and market participants.
- **Flexibility in the supervision of internal models.** Competent authorities may apply flexible criteria when reviewing internal models during the additional year in order to avoid distortive effects on capital levels that do not reflect actual changes in the risk taken.

3. Next steps

- The new Delegated Regulation will enter into force on the day following its publication in the Official Journal of the European Union (OJEU).
- It will apply from **1 January 2026**, although the effective requirement to comply with the FRTB as a capital requirement is deferred until **1 January 2027**. During this period, institutions are expected to continue their preparations to fully adopt the FRTB standard as a mandatory capital requirement from that date.

30/06/2025

S EC - New Clean Industrial Deal State aid Framework



1. Context

European Union (EU) State aid rules are designed to prevent distortions of competition by ensuring that public support does not give companies an unfair advantage. In recent years, the EC has reformulated its aid policy to align it with the Clean Industrial Deal, the major European roadmap for a competitive and decarbonized industry. This approach has been fleshed out through instruments such as the Guidelines on State Aid for Climate Protection, the Environment, and Energy (CEEAG), the General Block Exemption Regulation (GBER), and the Temporary Crisis and Transition Framework (TCTF). These mechanisms remain in place in parallel, allowing Member States to implement different forms of support with varying levels of complexity. The EC has also conducted public consultations and surveys with Member States and stakeholders, incorporating their feedback into the development of a more stable long-term framework.

In this context, the EC has adopted the **new Clean Industrial Deal State aid Framework (CISAF)**, aimed at replacing the TCTF and establishing a permanent regime to support decarbonisation and industrial competitiveness in the EU. The CISAF provides simplified and targeted rules to help Member States channel support towards the development of clean energy, industrial decarbonisation and clean technology.

2. Main aspects

The new framework covers the following key aspects:

- **Fast-tracking clean energy.** CISAF introduces a fast-track approval process for public support to clean energy projects, covering both renewable energy and low-carbon fuels. The framework enables quicker rollout of renewable energy schemes, such as wind and solar, through simplified procedures, while also supporting low-carbon fuels like blue and green hydrogen, which are key for sectors where other decarbonisation options are not yet viable. In addition, the CISAF allows for new flexibility measures and capacity mechanisms to facilitate the integration of intermittent renewables into the energy mix. Member States may implement 'target model' capacity schemes, where electricity providers are paid to maintain backup capacity, under streamlined approval, while other designs will be assessed under the existing CEEAG rules.
- **Support for electricity costs for energy-intensive users.** Member States may grant electricity price support to companies operating in energy-intensive sectors that are highly exposed to international competition and rely heavily on electricity for their production processes. This measure aims to alleviate competitive disadvantages caused by higher electricity costs in the EU compared to regions with less stringent climate policies. In exchange for receiving public support, beneficiary companies will be required to invest in decarbonisation measures.
- **Flexible support for industry decarbonisation.** CISAF allows Member States to provide aid for a wide range of technologies aimed at decarbonisation and energy efficiency, including electrification, hydrogen, biomass, and carbon capture, utilisation and storage (CCUS). The support can be granted using three approaches: i) the predefined aid amounts approach allows granting fixed support of up to €200 million per project, based on maximum intensities per technology; ii) the funding gap approach calculates the aid as the difference in net present value between the supported project and a credible counterfactual, requiring a robust business case; or iii) the competitive bidding approach allocates aid through tenders, selecting the most cost-effective projects based on environmental performance metrics.
- **Boosting the EU's clean tech manufacturing capacity.** The framework enables Member States to support investments in new manufacturing capacity for clean technologies covered by the Net-Zero Industry Act, either through schemes or individual cases to prevent strategic projects from relocating outside the EU. The framework also provides aid for the production and processing of critical raw materials essential to clean tech supply chains. To promote regional cohesion, more generous support may be granted in less advantaged areas as defined in the regional aid maps. Additionally, Member States can use tax incentives to stimulate demand for clean technology products, for example by allowing accelerated depreciation of related investments.
- **Reducing investment risks to leverage private capital.** CISAF allows Member States to take measures to reduce the risks faced by private investors in projects supporting the Clean Industrial Deal, including in areas such as energy infrastructure and the circular economy. The aim is to improve the bankability of eligible projects and mobilise more private funding to support the green transition. Support may be provided in the form of equity, loans or guarantees, channeled through dedicated funds or special purpose vehicles that manage portfolios of such investments.

3. Next steps

- CISAF applies as of **25 June 2025**, and remains in force until **31 December 2030**.

09/04/2025



CL E SRB - Public consultations on group supervision, related undertakings, and volatility adjustments following Solvency II

1. Context

As part of its ongoing efforts to refine the Solvency II framework, the EIOPA continues to assess and enhance supervisory practices in line with evolving market dynamics and regulatory priorities. The Solvency II Review, initiated by the European Commission, aims to ensure that insurance regulation remains robust, risk-sensitive, and capable of addressing emerging challenges such as market volatility, group-level risks, and the treatment of interconnected entities. Building on this momentum, EIOPA is further aligning its technical standards and guidance to strengthen prudential oversight across the European Union (EU).

In this context, EIOPA has launched a series of public consultations on group supervision, related undertakings, and volatility adjustments following Solvency II. The consultations focus on clarifying definitions, improving the identification and treatment of related undertakings within insurance groups, and refining the application of volatility adjustments to better reflect risk exposures. These changes are intended to enhance supervisory convergence and support consistent implementation of the revised Solvency II Directive.

2. Main points

The EIOPA has initiated a series of public consultations aimed at refining the Solvency II framework in three key areas:

- **Guidelines on Exclusions from Group Supervision.** EIOPA's first consultation introduces draft guidelines for determining when certain entities can be excluded from group supervision. Recognizing that such exclusions can significantly impact the oversight of insurance groups, EIOPA emphasizes that these decisions should be reserved for exceptional circumstances. The proposed guidelines aim to clearly define these circumstances to ensure consistent and prudent supervisory practices across member states.
- **Revised Guidelines on the Treatment of Related Undertakings.** The second consultation focuses on updating guidelines related to the identification and treatment of related undertakings, including participations, in the context of the Solvency II framework. The proposed revisions are intended to clarify existing provisions and streamline the current guidance, supporting EIOPA's broader objective of reducing the overall volume of applicable guidelines by 25% to improve regulatory efficiency. These amendments are purely clarificatory in nature and do not alter supervisory expectations or introduce new interpretative content. Accordingly, they are not expected to have a material impact on insurers or supervisory authorities.
- **Revised Opinion on Dynamic Volatility Adjustment.** The third consultation pertains to the supervisory assessment of internal models that incorporate dynamic volatility adjustment (DVA). EIOPA's draft opinion aims to align with amendments to the Solvency II Directive, which have revised the methodology for calculating volatility adjustments and introduced a broader prudency principle for DVA. The goal is to ensure that internal models accurately reflect risk exposures and maintain consistency with the updated regulatory framework.

3. Next Steps

- The deadline to provide feedback on these consultations is **26 June 2025**

10/04/2025

CL **EIOPA - Europe-wide liquidity stress test of occupational pension funds**
E



1. Context

EIOPA regularly conducts European Union (EU) wide stress tests to assess the resilience of Institutions for Occupational Retirement Provision (IORPs) under adverse market conditions. These exercises help evaluate potential systemic risks and inform supervisory priorities. Previous stress tests in 2015, 2017, 2019, and 2022, have primarily focused on the long-term sustainability of IORPs' liabilities. However, recent market events, such as the 2022 UK gilt crisis, exposed vulnerabilities related to liquidity risk, particularly in IORPs using leveraged investment strategies. These events underscored the importance of evaluating IORPs' ability to respond to sudden liquidity demands triggered by market volatility, margin calls, and rapid asset price adjustments.

25/1

In this context, EIOPA has launched **the 2025 EU-wide liquidity stress test for occupational pension funds**, with the objective of assessing IORPs' resilience to short-term liquidity shocks in severe but plausible market conditions. This is the first stress test by EIOPA that focuses exclusively on liquidity risk. It aims to identify potential vulnerabilities in the sector, particularly concerning exposure to derivatives, foreign exchange mismatches, and the ability to withstand extreme liquidity strains over a 90-day horizon.

2. Main points

The stress test includes:

- **Scope and participation criteria.** The stress test's sample includes all countries within the European Economic Area (EEA) where the total assets of registered IORPs exceed €600 million. National Competent Authorities (NCAs) are tasked with selecting participants to achieve at least 60% coverage of national market assets. Both Defined Benefit (DB) and Defined Contribution (DC) schemes are in scope, with participation focused on institutions where liquidity risk is most material.
- **Systemic risks and vulnerabilities addressed by the scenarios.** The stress test is designed to assess liquidity vulnerabilities in the IORP sector in light of the systemic risks identified by the European Systemic Risk Board (ESRB), including the impact on the balance sheet of non-financial companies, market corrections amplified by non-bank financial actors, deteriorating financing conditions for the banking sector, concerns about sovereign debt sustainability and vulnerabilities in the commercial real estate market. The evidence reflects growing concerns that macro-financial shocks may affect IORPs' ability to meet their liquidity needs, especially when they are exposed to derivatives or LDI strategies, as evidenced in the UK gilt crisis in 2022.
- **Narrative of the scenarios.** The rising yield curve (YCU) scenario simulates a sharp rise in interest rates caused by geopolitical escalation, which disrupts trade, makes raw materials more expensive and raises inflation expectations. This generates a depreciation of the euro, an increase in risk premiums, falls in asset prices and greater pressure on liquidity. In contrast, the downward curve scenario (YCD) reflects a prolonged recession, with persistent geopolitical instability, fiscal deterioration and loss of investor confidence. This causes a fall in interest rates, an increase in credit spreads and sharp corrections in the stock and real estate markets, especially in the commercial segment. Both scenarios involve volatility and disorderly adjustments, but the YCD is more severe due to its more intense recession and its impact on sovereign risk.
- **Scenario methodology, calibration and probability of materialisation.** The scenarios measure the impact of simultaneous shocks on interest rates, credit, equities, currencies and real estate assets, based on stress episodes occurring between 2008 and 2024. The YCU scenario is calibrated with data from 2022, focusing on inflationary pressures and rate volatility; the YCD takes as its reference the 2008–2011 financial crisis, characterized by economic contraction and credit risk. Although the shocks are modeled at a quarterly level, it is assumed that they materialize in five days. The joint probability of the shocks is estimated at 0.2% (YCU) and 0.1% (YCD) in historical distributions, and up to 6.5% and 1% respectively in contexts of high geopolitical risk. This approach guarantees the severity and economic coherence of the scenarios.

3. Next steps

- Participants must submit their stress test results to NCAs by **11 July 2025**.
- The publication of the stress test results is foreseen for **mid-December 2025**.

30/04/2025

R EIOPA - First consultation package for the preparation of the implementation of the Insurance Recovery and Resolution Directive (IRR)



1. Context

The IRRD establishes a harmonised framework in the European Union (EU) for the planning, prevention and management of crisis situations in insurance and reinsurance undertakings. Inspired by the banking resolution framework, the IRRD aims to provide national authorities with effective tools to intervene in an orderly manner in cases of significant financial deterioration, protecting policyholders, maintaining financial stability and minimising the use of public funds. The framework includes recovery planning obligations for institutions, the development of resolution plans by the competent authorities, and mechanisms to assess and, where necessary, remove impediments to resolvability. This is particularly relevant for cross-border groups, where coordination between authorities is essential.

In this context, EIOPA has published the **first set of public consultations to prepare for the implementation of the IRRD**. The aim of this initiative is to develop guidelines and regulatory technical standards (RTS) to facilitate the consistent and proportionate application of the IRRD in all Member States, ensuring adequate preparedness for crisis situations in the insurance sector.

2. Main aspects

The six consultation documents cover the following key aspects of the IRRD:

- **RTS on the content of group preventive recovery plans.** The minimum elements to be included in preventive recovery plans drawn up by insurance groups are established. Aspects such as the identification of critical functions, the assessment of interconnections between group entities and the coordination of recovery measures at group level are detailed. The aim is to ensure consistent and effective planning that enables groups to respond adequately to situations of financial stress.
- **RTS on the criteria to determine which undertakings are subject to requirements.** The criteria that competent authorities must consider when determining whether an insurer needs to draw up a preventive recovery plan are defined. Factors such as the size of the entity, its systemic importance and its risk profile are included. In addition, methods for assessing the effectiveness of the plans are proposed and procedures for their periodic review and update are established.
- **RTS on the content of resolution plans and group resolution plans.** The essential components that resolution plans must contain at both the individual and group levels are specified. Issues such as the identification of critical functions, the assessment of the organisational and financial structure, and the definition of viable resolution strategies are addressed. Requirements are also established for coordination between authorities in the case of cross-border groups, in order to ensure orderly and effective resolution.
- **Guidelines on criteria for identifying critical functions.** Guidance is provided to authorities on identifying functions whose disruption could have a significant impact on policyholders or market stability. Factors such as the importance of the function to the real economy, the number of people affected and the substitutability of the function are considered. The accurate identification of these functions is essential for recovery and resolution planning.
- **Guidelines for specifying additional criteria for assessing resolvability.** A framework is provided for authorities to assess an insurer's ability to be effectively resolved. Additional criteria are included to complement those set out in the IRRD, such as operational complexity, interconnectedness with other entities and the availability of critical information. The resolvability assessment allows potential obstacles to be identified and measures to overcome them to be planned.
- **Guidelines on the removal of impediments to resolvability.** Procedures are established for authorities to identify and remove obstacles that may hinder the effective resolution of an insurer. Measures such as restructuring the entity, improving information systems and reviewing contractual agreements are detailed. The aim is to ensure that insurers can be resolved without jeopardising financial stability or the interests of policyholders.

3. Next steps

- The public consultation period will be open until **31 July 2025**.

04/04/2025

R SRB - Public consultation on valuing banks in resolution**1. Context**

The ongoing enhancement of the European resolution framework continues to drive the development of operational capabilities that ensure institutions are adequately prepared for effective and timely resolutions. In alignment with the strategic objectives of the Single Resolution Mechanism (SRM) Vision 2028 and underpinned by the principles set out in the SRB's Expectations for Banks (EfB), recent initiatives have sought to consolidate institutional preparedness by reinforcing the operational foundations of key resolution functions. A fundamental component of this preparedness lies in the ability to deliver reliable, granular and timely data to support robust and defensible valuations in a resolution context.

In this context, the SRB has published its updated Expectations on Valuation Capabilities (EoVCs), which supersede the previous Valuation Data Set (VDS 2020) and related guidance, with the objective of ensuring that institutions maintain permanent and operationally robust capabilities to support timely and well-substantiated valuations in resolution scenarios. The initiative seeks to standardise valuation data requirements, improving availability, structure, and governance. By implementing tools such as the Valuation Data Index (VDI), the Data Repository for Resolution (DRR), and institution-specific valuation playbooks, the EoVCs enhance operational preparedness, ensure consistent resolution execution, and support a level playing field across the Banking Union.

2. Main points

The document contains the following key aspects:

- **Valuation Data Index (VDI).** The Valuation Data Index is designed to ensure that a sufficiently comprehensive and granular body of information is available to both the SRB and independent valuers, thereby reducing the risk of data limitations that could compromise valuation quality. The VDI includes an enhanced Valuation Data Set (VDS), in addition to a series of essential documents, such as audit reports, internal risk analyses, strategic business plans, and technical documentation on internal valuation models.
- **Valuation Data Set (VDS).** The Valuation Data Set is a central component of the VDI, comprising high-quality, granular financial data needed for resolution valuations. It encompasses asset- and liability-level data, covering loan books, trading portfolios, derivatives, and funding sources, ensuring a comprehensive representation of an institution's financial position. The VDS must be regularly updated and structured to be readily accessible, reconcilable with other financial datasets, and aligned with independent valuation methodologies. Institutions are expected to maintain robust data governance practices to uphold the accuracy and completeness of the VDS at all times.
- **Data Repositories for Resolution (DRR).** The SRB requires banks to submit VDI-related information to a designated Data Repository for Resolution on a predefined and recurring basis. The DRR must have the necessary technical capabilities to receive, store, and manage structured valuation data in a format that ensures its usability during resolution. Institutions must also be prepared to provide additional or updated information upon request, ensuring that the DRR remains a dynamic and responsive resource capable of supporting resolution planning, testing, and execution. The ability to reconcile DRR data with other financial and risk datasets is critical to ensuring its effectiveness in real-time decision-making during resolution.
- **Valuation Playbooks.** Banks must develop detailed valuation playbooks that outline the internal procedures, roles, and systems necessary for conducting effective valuations in a resolution scenario. These playbooks serve as key operational guides, ensuring that independent valuers have a clear understanding of the institution's valuation methodologies, data sources, and governance frameworks. The playbooks should document the integration of valuation processes into business operations, data management workflows, and risk controls. By maintaining comprehensive and up-to-date playbooks, institutions can facilitate a smooth and consistent valuation process during resolution, reducing execution risks and ensuring compliance with SRB expectations.

3. Next steps

- The deadline for comments on the consultation is **2 July 2025**.

Relevant Publications

Spain

10/04/2025

CL BdE - Public consultation prior to the modification of Circular 4/2017, with the aim of updating the rules on public and confidential financial information, as well as the financial statement templates



1. Context

As part of its ongoing work to reinforce the quality and transparency of financial information in the banking sector, the Bank of Spain periodically reviews its accounting regulatory framework in order to adapt it to changes in international standards, best supervisory practices and information needs for financial stability. These revisions seek to ensure that credit institutions maintain a reporting framework that is coherent, reliable and aligned with applicable accounting principles and prudential requirements.

In this context, the Bank of Spain has launched **a public consultation prior to the amendment of Circular 4/2017, with the aim of updating the rules on public and confidential financial information, as well as the financial statement templates**. The consultation seeks to align the regulations with the changes in IFRS, resolve technical issues detected in their application and improve the usefulness and transparency of the information reported by entities.

2. Main points

In line with changes in international standards, the Bank of Spain has initiated a public consultation prior to the modification of Circular 4/2017, which contains the following aspects:

- **Financial asset classification and valuation.** In order to avoid the application of different accounting criteria in the individual and consolidated annual accounts, the latest changes to IFRS 9, which affect the classification and valuation of financial assets whose contractual cash flows can be modified depending on the occurrence of events affecting the debtor, are incorporated into the internal regulations. The expected date of mandatory application of these changes is 1 January 2026, so the processing of this amending circular has already begun with the aim of completing it before the end of 2025.
- **Change in IAS 1 and IAS 8.** The second block of changes incorporates the amendments to IAS 1, on the presentation of financial statements, and IAS 8, relating to accounting policies, changes in accounting estimates and errors, derived from Commission Regulation (EU) 2022/357.
- **Adaptation to changes in IAS 12 on income tax.** The amendment to IAS 12 introduces an exception to the recognition of deferred tax assets and liabilities derived from the global minimum level of taxation promoted by the Organisation for Economic Co-operation and Development (OECD). These changes are in line with Law 7/2024, which establishes, among other things, a tax on the interest margin and commissions of certain financial institutions.
- **Review of requirements regarding country risk coverage.** The criteria of appendix 9 of Circular 4/2017 are reviewed to ensure that entities that estimate their country risk coverage with internal methodologies do not have to apply the predefined models or estimate this component separately. However, alternative solutions are maintained for those entities, generally smaller or less complex, that decide to continue using them.
- **Review of definitions, regulatory references and certain accounting methods.** The revision includes the definition of some products, such as advances other than loans and revolving loans; the updating of obsolete regulatory references; the clarification of the interaction between the measurement criteria for financial instruments and non-current assets held for sale; and the removal in Annex 9 of the treatment of special restructuring agreements, as they are no longer regulated by the Consolidated Text of the Bankruptcy Act.
- **Modification of confidential financial statements.** The planned changes include updating information on derivatives and revising submission thresholds in order to meet the requirements of international organisations such as the European Central Bank and the International Monetary Fund. Minor adjustments will also be made to correct inaccuracies and add necessary clarifications.

3. Next Steps

- The deadline to provide feedback on this consultation is **23 April 2025**.

Relevant Publications

UK

07/04/2025

C BoE - Consultation on proposed amendments to the PRA Regulation and the FCA Guide in relation to the de minimis threshold for the loan-to-income flow limit on loans



BANK OF ENGLAND

1. Context

In November 2024, the UK Financial Policy Committee (FPC) recommended that the regulatory authorities update the minimis threshold for the limit on the proportion of high loan-to-income (LTI) mortgage loans. This recommendation responded to the nominal growth of GDP since 2014, with the aim of preventing small entities from being subject to restrictions not originally foreseen for them. In response, the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) initiated their consultation and regulatory review procedures. This process reflects coordinated action by both authorities to ensure consistency between financial stability and the promotion of competition in the mortgage market.

In this context, the BoE has launched a public consultation on proposed amendments to the PRA Regulation and the FCA Guide in relation to the de minimis threshold for the loan-to-income flow limit on loans. The purpose of this publication is to adjust the threshold from £100 million to £150 million per year, aligning it with the nominal growth of the gross domestic product (GDP) since 2014, in order to avoid a disproportionate regulatory burden for smaller lenders and to maintain consistency with the original intention of the financial stability framework.

2. Main points

The consultation includes the following main aspects:

- **Object of the consultation.** The update seeks to restore the proportion of exempt loans (around 2.3%) to previous levels, after having been reduced to 1.5% due to economic growth and inflation. The aim is to mitigate the effect of prudential drag and facilitate the operations of smaller entities, in line with the FPC's risk appetite.
- **Target audience.** The proposal does not modify the general scope of application. The PRA rules apply to banks, building societies, mutual societies, credit unions, investment firms designated by the PRA and foreign banks operating in the UK. The FCA guide sets out expectations for mortgage lenders authorized by the FCA that are not subsidiaries of PRA-regulated entities, including certain specialist lenders and overseas firms operating via UK establishments.
- **Link to objectives.** The measure seeks to preserve financial stability, limit household over-indebtedness and avoid imposing disproportionate restrictions on smaller lenders. It also promotes competition and the growth of small entities, in line with the secondary objectives of the PRA and the FCA.
- **Considerations regarding equality and diversity.** In formulating their proposals, the regulators took due account of the equality objectives established in Article 149 of the Equality Act 2010.: Given the nature of the proposed changes, they do not anticipate any adverse impact on these objectives
- **Costs and benefits of the proposal.** The changes are not expected to involve significant costs and are expected to benefit small entities by widening their operating margin before they become entities subject to the LTI limit. It is estimated that the proportion of exempt loans would be restored to around 2.2% (from the current 1.5%), without material harm to financial stability.

3. Next steps

- The consultation will remain open until **May 8, 2025**. Following the consultation, the regulators will publish a summary of feedback received and confirm any final policy changes and implementation timelines.

25/04/2025

E BoE - Supervisory Statement (SS) regarding the Prudential Regulation Authority's (PRA) expectations around firms undertaking step-in risk assessments.



BANK OF ENGLAND

1. Context

Since the 2008 financial crisis, regulators have sought to address implicit support by banks to non-consolidated entities, particularly in periods of market stress. The BoE has progressively refined its prudential supervisory approach to address risks arising from banks' relationships with non-consolidated entities. These risks, commonly referred to as "step-in risk," occur when a firm may feel pressured to support an external entity for reputational or structural reasons, despite no legal obligation to do so. Managing such risks is key to preserving the resilience of individual firms and maintaining trust in the broader financial system.

In this context, the BoE has published a Supervisory Statement (SS) **setting out the PRA's expectations for how UK banks, building societies, designated investment firms, and holding companies should assess and respond to step-in risk**. The objective of this SS is to ensure that entities appropriately identify, assess, and manage the potential risk of providing financial or reputational support to unconsolidated entities with which they maintain close relationships.

2. Main points

The supervisory statement includes the following main aspects

- **Indicators of Step-in Risk.** The PRA expects firms to assess step-in risk by identifying relevant indicators that suggest a likelihood of providing financial or reputational support to unconsolidated entities. These indicators include: i) the degree and nature of sponsorship relationships; ii) the financial condition and transparency of the entity; iii) contractual obligations or reputational considerations; and iv) the alignment (or misalignment) between investor risk and returns. Firms should take a holistic and proportionate approach in identifying entities and circumstances that might trigger implicit support.
- **Potential Responses to Step-in Risk.** Where step-in risk is identified, the PRA outlines a series of potential responses firms may consider to mitigate such risks. These include applying stress testing to assess financial impact, including the entity in the group's regulatory consolidation, setting internal capital or liquidity limits, enhancing disclosures, or provisioning for possible exposures. The choice of response should reflect the materiality and nature of the risk, as well as its potential impact on the firm's financial and reputational position.
- **Step-in Risk Policies.** Firms are expected to establish and maintain clear internal policies for managing step-in risk. These policies should define thresholds for materiality and significance, set governance procedures for decision-making, and specify the types of entities subject to assessment. Policies must also include requirements for periodic reviews and documentation, and should reflect the complexity and size of the firm's operations. Additionally, firms must use prescribed templates (SI0, SI1, and SI2) to report their step-in risk assessments to the PRA.

3. Next steps

- The expectations outlined in SS1/25 will come into **effect on 1 January 2026**..

09/05/2025

T FCA - DP25/1 on the regulation of Cryptoasset Activities



1. Context

The evolution of the cryptoasset ecosystem has significantly reshaped how certain financial services are structured and delivered. The market has grown substantially in size and complexity, encompassing trading platforms, intermediaries, yield products, decentralised lending mechanisms, and technologies like staking. Yet, unlike traditional financial systems, many of these activities remain unregulated or lightly regulated, which raises concerns over consumer protection, market integrity, operational resilience, and potential systemic risk. With increasing retail investor participation, the urgency to implement clear, proportionate and crypto-specific rules has intensified.

In this context, the UK FCA published **Discussion Paper (DP) 25/1 on the regulation of Cryptoasset Activities**. The objective of this DP is to set out its preliminary proposals for regulating key cryptoasset activities such as trading platforms, intermediaries, lending and borrowing, staking, and Decentralised Finance (DeFi).

2. Main points

The DP includes the following main aspects:

- **Cryptoasset Trading Platforms.** The proposals require entities offering trading services to retail clients to be authorised or established locally. Key risks addressed include lack of liquidity, inconsistent trading rules, operational opacity, and conflicts of interest. The paper explores requirements for non-discretionary trading, transparency obligations, restrictions on proprietary dealing, and controls over direct access for retail and algorithmic participants.
- **Cryptoasset Intermediaries.** Intermediaries executing or arranging trades on behalf of clients are subject to proposed rules ensuring fair and transparent execution. Identified risks include lack of clarity on agency roles, price manipulation, improper incentives like payment for order flow, and client misclassification. Measures include best execution requirements, conflict of interest management, disclosure rules, and tailored obligations for retail-facing activities.
- **Cryptoasset Lending and Borrowing.** Current lending and borrowing models carry high risks, such as asset ownership transfer, exposure to unregulated parties, and lack of credit assessments. The document suggests limiting retail access to these services but opens the door to potential mitigations such as creditworthiness checks, limits on automatic margin calls, and controls on platform-issued tokens.
- **Restricting credit use for cryptoasset purchases.** The paper proposes restricting or banning the use of credit cards and financing facilities to buy cryptoassets due to risks of indebtedness and impulsive behaviour. Exemptions may apply for qualifying stablecoins backed by assets and issued by regulated entities, given their relatively lower risk profile.
- **Staking.** Key risks include poor consumer understanding, technological dependency, and asset safeguarding failures. Measures proposed include explicit consent before staking, key features documentation, segregation of staked assets into separate wallets, and liability for preventable losses. Operational resilience standards are also introduced for firms using third-party providers.
- **DeFi.** DeFi services that involve a controlling party or centralised governance features would be subject to the same regulatory expectations as centralised services. The document recommends using guidance to clarify the scope of regulation and encourages the adoption of emerging industry practices that support compliance, transparency, and risk management.

3. Next steps

- The period for submitting comments ends on **13 June 2025**.

21/05/2025

CL BoE - International firms: Updates to SS5/21 and branch reporting

BANK OF ENGLAND

1. Context

The regulatory landscape for international banks operating in the UK has undergone significant scrutiny, particularly following the collapse of Silicon Valley Bank (SVB) in 2023. This event exposed vulnerabilities in the UK's approach to supervising foreign bank branches, especially concerning large volumes of uninsured deposits and limited oversight capabilities. In response, the Prudential Regulation Authority (PRA) has reassessed its supervisory framework to enhance financial stability and ensure effective supervision of international banking entities.

In this context, the Bank of England's PRA published the **Public Statement 6/25 – International firms: Updates to the Supervisory Statement 5/21 and branch reporting**. The statement sets out enhanced expectations on branch risk appetite, clarifies the PRA's position on booking practices within international firms, and introduces new liquidity reporting requirements.

2. Main points

The document includes the following main aspects:

- **Branch Risk Appetite.** The PRA has refined its criteria for assessing the risk appetite of UK branches of international banks. The updated guidance emphasizes the importance of branches having robust risk management frameworks that align with the PRA's expectations, particularly concerning retail deposit-taking activities. Branches are expected to operate within defined risk parameters, and those engaging in significant retail activities may be required to subsidiarize to ensure adequate protection for UK depositors and financial stability.
- **Booking Expectations.** The PRA has clarified its expectations regarding the booking arrangements of international banks operating in the UK. Firms are expected to have clear and transparent booking models that accurately reflect the location of risk and ensure that the PRA can effectively supervise the UK operations. This includes having appropriate governance and controls over booking practices to prevent undue complexity and to ensure that risks are appropriately managed within the UK jurisdiction.
- **Liquidity reporting.** To enhance the supervision of liquidity risks, the PRA has introduced new reporting requirements for international bank branches. These requirements aim to provide the PRA with more comprehensive and timely data on the liquidity positions of branches, enabling better assessment of their resilience to liquidity stress events. The updated reporting framework is designed to capture whole-firm liquidity data, facilitating a more holistic view of the firm's liquidity risk profile.

3. Next steps

- The new policy updating SS5/21 came into effect immediately upon publication of this PS on **20 May 2025**.

Relevant Publications

Chile

30/04/2025

CL CMF - Modification to Chapters 21-6 and 8-40 of the Updated Compilation of Banking Regulations (RAN), as well as to General Rules No. 303 and 451



1. Context

The CMF plays a key role in ensuring effective and coherent prudential regulation and supervision within the Chilean financial sector. In recent years, the CMF has identified the need to strengthen and deepen the local financial market, particularly in areas such as the repo market, securitisations, and credit risk mitigation instruments. With the aim of removing obstacles that hinder the development of these markets and promoting greater efficiency and resilience in the financial system, the CMF has been actively engaged in reviewing and updating the relevant regulatory frameworks.

In this context, the CMF has published **updates to Chapters 21-6 and 8-40 of the Updated Compilation of Banking Regulations (RAN), as well as to General Rules (NCG) No. 303 and No. 451**. This draft regulation, currently under public consultation, introduces adjustments intended to simplify and clarify the regulatory treatment of repo operations, self-securitisations, and the recognition of credit derivatives and insurance as credit risk mitigants.

2. Main points

The update includes the following key elements:

- **Diagnosis of the repo market.** The market shows low dynamism and participation, affected by regulations that create frictions, such as restrictions on eligible instruments and accounting treatment. There is a need for greater standardisation and alignment with international practices to improve its depth and efficiency.
- **Diagnosis of the securitisation market.** A limited level of participation has been identified, particularly in the use of self-securitisations, which currently face a conservative regulatory treatment that discourages their use as a risk management tool.
- **Diagnosis of credit derivatives and insurance.** The current framework imposes requirements that hinder the recognition of derivatives and insurance policies as credit risk mitigants. This limits the use of valid and internationally accepted instruments for the coverage of credit exposures.
- **Regulatory proposal.** Chapters 21-6 and 8-40 of the RAN and General Rules No. 303 and 451 are updated in order to: i) simplify the treatment of repos; ii) allow the prudential recognition of self-securitisations under specific conditions; and iii) facilitate the use of derivatives and insurance policies as credit risk mitigants, provided they meet prudential criteria.
- **Regulatory impact assessment.** The proposal aims to remove obstacles to market development, promote practices aligned with Basel III, and enhance efficiency in risk management without significantly impacting current capital requirements or financial system stability.

3. Next steps

- The CMF has opened a public consultation period allowing market participants to submit comments, observations or suggestions regarding the proposed regulation. The deadline for submission is **6 June 2025**.

27/05/2025

CL CMF - Public consultation on new rule on minimum net worth requirements for securities intermediaries and commodity broker-dealers



1. Context

The CMF plays a key role in ensuring effective and consistent prudential regulation and supervision in the Chilean financial sector. In recent years, the CMF has identified the need to strengthen the regulatory framework applicable to securities intermediaries and commodity brokers, with the objective of reinforcing their solvency, risk management and alignment with international standards. In July and August 2024, it carried out a first public consultation on this matter, the result of which motivated the review and adjustment of the regulatory proposal.

In this context, the CMF has announced a **new public consultation on new rule on minimum net worth requirements for securities intermediaries and commodity broker-dealers**. The objective of the consultation is to establish a more robust regulatory framework, based on risk-weighted assets, which will allow for more effective management of financial and operational risks, thus promoting market stability.

2. Main points

The proposal includes the following key elements:

- **Financial guarantees.** A specific section on financial guarantees is introduced, which was absent in the first consultation, with differentiated equity requirements for repo transactions cleared or not by central counterparties.
- **Time bands.** The use of time bands is allowed for the calculation of equity for market risk associated to interest rates. This method organizes financial instruments by type and maturity to calculate the risk of interest rate fluctuations. They are grouped into time bands, and adjustments are applied to reflect how they offset each other.
- **Credit risk weighting.** The credit risk weighting is reduced from 0.5% to 0% for transactions cleared through clearing and settlement companies regulated by Law No. 20,345.
- **Update of risk management evaluation criteria.** The risk management evaluation criteria are updated, harmonized with the regulations applicable to Fintech (general rule (NCG) No. 502) and General Fund Administrators (NCG No. 526).
- **Classification of intermediaries by blocks.** The proposal establishes a segmentation into three blocks based on the size and complexity of the entities, using variables such as assets under custody, number of clients, and trading volumes. This allows for the application of differentiated and proportional requirements. Block 1 groups the smallest intermediaries, which do not meet the thresholds defined for the other blocks and have lower regulatory requirements. Block 2 includes those with between 500 and 5,000 active clients, average daily transactions between 100,000 and 500,000 UF, or annual revenues between 25,000 and 50,000 UF. Block 3 corresponds to the largest intermediaries, with more than 5,000 active clients, average daily transactions over 500,000 UF, assets under custody greater than 0 UF, or annual revenues exceeding 50,000 UF.
- **New methodology for calculating risk-weighted assets (RWA).** A comprehensive formula is introduced to estimate market, credit, and operational risks, allowing for a more precise calculation of the minimum required capital.

3. Next steps

- The CMF has opened a public consultation period until **23 June 2025**.

06/06/2025

CL CMF - Regulation establishing the formula for the minimum payment on credit cards, along with certain exceptions



1. Context

The CMF has been strengthening its regulatory framework in matters related to credit and the protection of financial consumers. In particular, it has sought to enhance transparency and promote responsible debt management, especially in widely used products such as credit cards. These actions are aligned with the powers granted under Law No. 21,673 of 2024, which authorises the CMF to regulate specific aspects of the minimum payment applicable to such instruments.

In this context, the CMF has issued a **regulation establishing the formula for the minimum payment on credit cards, along with certain exceptions**. The objective is to foster practices that reduce the risk of over-indebtedness and ensure appropriate debt amortisation, based on proportional criteria and maximum regularisation periods.

2. Main points

The regulation includes the following key elements:

- **Determination of the minimum payment.** A standard formula is established comprising two components: the non-financeable amount (MNF) and 5% of the financeable amount (MF). The MNF includes instalments due, interest, commissions, and other charges billed during the statement period and the MF primarily corresponds to the outstanding principal associated with use of the credit line.
- **Exceptions to the minimum payment.** Issuers may temporarily exempt customers from the minimum payment in exceptional circumstances, subject to specific conditions, such as: the exempted debt must be fully amortized within a maximum of 24 months; no more than two consecutive months of exemption may be granted; and the issuer must assess the customer's financial situation in advance.
- **Inclusion in banking regulation.** The formula and related conditions are incorporated as a new provision within Chapter 8-41 of the Recopilación Actualizada de Normas (RAN), applicable to banking credit card issuers.

3. Next steps

- The regulation will come into force **one year after its publication** in the Official Gazette. From that moment on, interest-free instalments will be gradually incorporated into the MNF, with a 25% increase every six months. Thus, **two years after the regulation comes into force, 100% of interest-free instalments will be incorporated into the MNF.**

11/06/2025

C CMF - Regulatory proposal setting the maximum fees to be paid by pension funds



1. Context

The CMF and the Superintendency of Pensions of Chile, pursuant to Article 45 bis of Decree Law No. 3,500, must annually set, by joint resolution, the maximum fees that Pension Funds may pay for investments in mutual funds, investment funds and other collective financial instruments. This mechanism seeks to avoid the payment of excessive commissions charged to pension funds and to transfer any additional costs to Pension Fund Administrators (AFPs), thereby promoting better cost management in investment decisions.

In this context, the CMF has published a regulatory proposal with the aim of **establishing the maximum commission limits that may be applied to Pension Funds during the period from 1 July 2025 to 30 June 2026**, differentiating by asset type, geographical area and investment style. In addition, the regulations include key definitions, calculation procedures, rules for the classification of funds and conditions for the refund of excess commissions paid.

2. Main aspects

The proposal includes the following main aspects:

- **Definitions.** Key concepts for applying the regulation are established, such as AFP, Funds, Maximum Commission, Effective Commission and Total Expense Ratio (TER), which represents the total expenses charged by a fund. For alternative assets, an equivalent TER is introduced, considering costs such as management fees and other expenses specific to investors. It is clarified that certain elements, such as taxes or performance fees, are excluded from the calculation.
- **Maximum commissions established.** The regulation establishes different caps depending on the type of fund. For example, index equity funds will have a limit of 0.30%, while alternative assets such as private equity or private debt will have a maximum of 2.35%. Funds of funds may reach up to 3.75%. Values are also set for exchange-traded funds (ETFs), with limits between 0.39% and 0.72%, depending on the type of asset and geographical area.
- **Fund classification.** Each fund must be classified based on its investment objective as stated in the prospectus. The asset class (equities, bonds, etc.), geographical area (developed, emerging, global) and style (index, high yield, other) are taken into account. If the prospectus is unclear, a statement from the fund manager may be required.
- **Procedure for determining fees.** The calculation of the effective fee is regulated, depending on the type of fund. For foreign funds, the most recent TER or a statement from the manager is used; for domestic funds, the calculation is daily, monthly or quarterly. The amortisation of certain expenses is permitted and the costs of investments in underlying funds must be included.
- **Determination of excess and accounting treatment.** The calculation of commissions paid in excess of the limit and how they should be refunded is established. The calculation is daily for foreign funds, monthly or quarterly for domestic funds and annual for alternative funds. AFPs must record refunds in their accounts and make payments within defined time limits.
- **Information.** AFPs must report quarterly to the Superintendency of Pensions on TER and the classification of foreign funds. Domestic managers must submit data on actual commissions and classification when submitting their monthly reports or financial statements. The CMF will centralise this information for use by AFPs.

3. Next steps

- Administrators must send the Superintendency of Pensions a report on TER and the classification of foreign instruments no later than the following dates: **31 July, 31 October, 31 January** and **30 April** of each year, or the next business day if that date is a public holiday, with the total funds held in the portfolio in the previous calendar quarter.

30/06/2025

CL CMF - Public consultation on parametric insurance**1. Context**

The CMF has initiated a regulatory process to regulate parametric insurance and modify the technical reserves associated with earthquakes. This process is part of the implementation of Law No. 21,521, known as the Fintec Law, and seeks to establish clear criteria for the marketing of parametric insurance by insurance companies. This initiative also includes adjustments to the Earthquake Catastrophe Reserve and the Ongoing Risk Reserve, with the aim of strengthening the solvency of the insurance system in the event of seismic events.

In this context, the CMF has published a **regulatory proposal for public consultation that seeks to regulate parametric insurance and modify technical reserves linked to catastrophic risks such as earthquakes**. This type of insurance is characterized by being activated automatically when a previously established parameter is met—for example, when an earthquake exceeds a certain magnitude—without the need to assess actual losses, allowing for faster and more agile compensation. The purpose of this publication is to establish clear and precise conditions for the marketing of these insurance policies, strengthening the protection of the insured and the solvency of the system, in line with the advances introduced by the Fintec Law.

2. Main aspects

The proposed regulation include the following aspects:

- General Regulation (NCG) on parametric insurance. The new CMF regulation, in compliance with the Fintec Law, specifies the risks and indices authorized for parametric insurance, including a detailed list of natural events and operational risks, which must be linked to objective indices provided by recognized official sources. The regulation prohibits the marketing of these insurance policies as additional clauses in traditional policies, requires clear designation in the policies, and establishes transparency requirements for information and index calculation. In addition, it regulates aspects such as the obligation to report the loss of insurable interest, the submission of an actuarial report justifying the relationship between the index and the risk, and sets a maximum period of 15 business days for the payment of compensation after a claim. It also provides for the concurrence of multiple parametric insurance policies and the possibility of setting insured amounts by index intensity brackets.
- **Amendment to NCG No. 306.** The amendment to NCG No. 306 introduces specific treatment for technical reserves for parametric insurance covering earthquakes, recognizing their automatic activation, fixed insured capital, and binary payment. In the Current Risk Reserve (RRC), the exception applicable to traditional insurance is eliminated and it is required to maintain 100% of the premium in reserve throughout the term of the contract, considering that the risk remains constant and may involve total losses. In the Catastrophic Earthquake Reserve (RCT), the formulas are adjusted to reflect the probable maximum loss (PML) of 100% of the insured capital, and duplication of reserves is avoided by discounting the RRC already established in the area of greatest exposure. These changes seek to strengthen asset coverage and technical consistency in the face of extreme events, such as those observed in the 27F earthquake.

3. Next steps

- The public consultation is open until **July 25, 2025**.

Relevant Publications

Colombia

03/04/2025

CL SFC - Circular on the guidelines for the stress test scenarios required by the supervisor for 2025



1. Context

By virtue of the powers granted to it by current regulations and based on the provisions of External Circular 051 of 2015, which establishes guidelines for risk management, and Chapter XXVIII of the Basic Accounting and Financial Circular (CBCF), which regulates stress test requirements, the SFC has been developing tools to strengthen risk management in financial institutions. These tools include the guidelines for the design of stress tests, the purpose of which is to evaluate the capacity of the financial system to face different stress scenarios. This regulatory work involves the periodic updating of the macroeconomic and financial scenarios that must be considered by the supervised entities, in coherence with the economic conditions and the emerging risks identified by the supervisor.

In this context, the SFC has published a circular on the guidelines for the stress test scenarios required by the supervisor for 2025. The objective of this publication is to ensure that these entities have adequate tools to evaluate their capacity to respond to financial stress scenarios, thus promoting prudent risk management and the stability of the financial system.

2. Main points

The circular includes the following main aspects:

- **General guidelines and obligated entities.** The SFC establishes the general guidelines for the execution of stress tests in 2025, requiring certain entities to submit information through Form 527, which collects the quantitative results of the baseline and adverse scenarios, including key financial indicators such as solvency, liquidity and funding. This obligation applies to Group 1 banking establishments (larger and more complex entities, according to intensive supervision criteria defined by the SFC) and to Group 2 entities (entities with a lower risk profile) that did not show a profit at the end of 2024. The document includes a specific list of Group 2 entities subject to mandatory reporting.
- **Macroeconomic and financial scenarios.** Entities must design two types of scenarios: i) a baseline scenario, which reflects the expected financial and macroeconomic projections for 2025-2027; ii) and an adverse scenario, which simulates different severe stress shocks. The adverse scenario must include at least impacts such as economic slowdown, deterioration of liquidity, falls in financial markets, cyber incidents, misinformation and any other event that affects the financial margin.
- **Adverse scenario with uncertainty in trade relations.** An additional scenario is introduced that considers geopolitical tensions and their impact on trade relations, international services and financial flows. This should simulate a significant deterioration of financial indicators and project their materialization in 2026, with recovery in 2027 based solely on mitigating actions.
- **Recovery plan and consistency of mitigating actions.** Institutions are required to document, in their qualitative report, a recovery plan with concrete measures to restore financial viability in the event of the adverse scenario materializing. These measures must be feasible, consistent with the institution's risk profile and structure, and must be included in the institution's overall risk management.
- **Content of the qualitative report.** The report must include the projection of macroeconomic variables, solvency, leverage, liquidity and funding indicators, as well as the calculation of the net stable funding ratio (NSFR). In addition, it must include the operational risk charge (VeRoR), the liquidity risk analysis (LRA) and a detailed sensitivity analysis on key variables.

3. Next steps

- The information derived from the stress tests must be sent to the SFC no later than **July 31, 2025**, in compliance with the provisions of Chapter XXVIII of the CBCF and this circular.

06/05/2025

S SFC - Draft External Circular on instructions for managing environmental and social risks in supervised entities



1. Context

In recent years, the SFC has been promoting a strategy to integrate environmental and social factors into the risk management of the financial system. Since the publication of the technical document on climate risk and opportunity management for credit institutions (2022) and the subsequent document for the insurance sector (2023), the SFC has made clear its intention to consolidate a more robust regulatory framework to address the challenges of climate change and the social impacts of financial activities. These actions are in line with international best practices and Colombia's commitments to sustainability. They are also part of its Green Finance and Climate Change Strategy and are included in the Basic Accounting and Financial Circular, which sets out the rules and instructions to be followed by supervised entities on issues such as risk management, information disclosure, and internal control.

In this context, the SFC has published a **Draft External Circular on instructions for managing environmental and social risks in supervised entities**, with the aim of establishing clear guidelines for entities to define a robust Environmental and Social Policy, adopt effective mechanisms for identifying, measuring, and controlling these risks, and apply specific rules for their management in credit operations and the guarantees that back them. This regulatory proposal represents a significant step toward the full integration of environmental and social risks within the framework of the Comprehensive Risk Management System (SIAR) in Colombia.

2. Main points

The circular project includes the following main aspects:

- **Amendments to Chapter XXXI SIAR.** Chapter XXXI of the Basic Accounting and Financial Circular establishes the guidelines that supervised entities must follow for the management of their financial and non-financial risks. This chapter is amended to expressly include environmental and social risks. In particular, the general considerations and section 1 of Part II have been updated, and subsection 11, Environmental and social risk management, has been added, establishing the minimum criteria that entities must apply for proper management within the framework of the SIAR.
- **Addition of the subparagraph 11.8.** Within subparagraph 11, point 11.8 is added, which specifically regulates environmental and social risk management in credit operations and in guarantees backing credit obligations. These rules are structured around the Environmental and Social Risk Management System for Credit Operations (SARASOC), which establishes a structured approach for their assessment and control. This system includes phases such as initial screening, categorization, assessment, monitoring, reporting, continuous improvement, external communication, governance, and training.
- **Addition of Chapter XXXIII Environmental and Social Policy.** Chapter XXXIII is added to the Basic Accounting and Financial Circular, establishing the guidelines and minimum content that must be included in the Environmental and Social Policy of supervised entities. The policy must integrate the risks and opportunities arising from environmental and social factors into strategic planning, financial management, and the risk appetite framework, and be subject to periodic review and public disclosure.

3. Next steps

- The deadline for submitting comments on the draft is **May 20, 2025**.
- No specific date has been announced for the publication of the final version, which will depend on the analysis of the comments received during the consultation process.
- Once the Circular is published, the instructions in Chapter XXXIII must be adopted within a **maximum period of 6 months**; those in subparagraph 11 of Chapter XXXI, except for 11.8, **within 12 months**; and those in subparagraph 11.8, within a period of **18 months** from the date of official publication.

22/05/2025

CL

SFC - External Circular on instructions related to the technical reserve regime for insurance companies and the adoption of technical regulatory frameworks for financial reporting applicable to insurance contracts



1. Context

The incorporation of International Financial Reporting Standard (IFRS) 17 on insurance contracts into the Colombian regulatory framework began with the issuance of Decree 1271 of 2024, which amended Decree 2420 of 2015 to adapt the applicable accounting standards. This measure was complemented by Resolution 441 of 2024 of the National Accounting Office, which updated the technical accounting regulatory frameworks. At the same time, Decree 1272 of 2024 introduced adjustments to the prudential regime for technical reserves provided for in Decree 2555 of 2010, in accordance with Article 186 of the Organic Statute of the Financial System. These regulatory actions lay the foundations for aligning the regulation of the insurance sector with international standards and strengthening technical and actuarial risk management.

In this context, the SFC has published a draft **External Circular with the aim of establishing instructions related to the technical reserve regime for insurance entities and the adoption of technical regulatory frameworks for financial reporting applicable to insurance contracts**. This initiative seeks to ensure implementation consistent with international financial reporting standards and to ensure that entities have adequate provisions for the risks assumed, in order to protect policyholders and the financial system.

2. Main points

The circular includes the following main aspects:

- **Creation of regulatory chapters in the Basic Accounting and Financial Circular (CBCF).** The Circular proposes the creation of two new chapters in the CBCF: Chapter XXXIV on the prudential regime for technical reserves and Chapter XXXV on financial reporting for insurance contracts. These sections seek to regulate the implementation of IFRS 17 in a technical manner and ensure consistency with international standards and existing prudential regulations.
- **Technical annexes to chapter XXXIV.** Eight technical annexes are created detailing specific methodologies for calculating different technical reserves, such as asset insufficiency, occupational disease recoveries, loss ratio deviation, and mathematical reserves for individual life insurance. These annexes ensure a uniform technical and actuarial approach for all supervised entities.
- **Amendments and repeals in the Basic Legal Circular (CBJ).** Amendments are made to several sections of Chapter II of Title IV of Part II of the CBJ and thirteen sections and five annexes are repealed. These repeals eliminate provisions that are incompatible with the new regulatory structure, facilitating the transition to the new regulatory regime.
- **Implementation and adjustment plan.** Insurance entities must submit a detailed implementation plan within six months of the issuance of the circular. This plan must include an impact analysis, a schedule of activities, gradual accounting recognition of differences, and quarterly monitoring by internal control bodies.
- **Supplementary adjustment plan.** Entities with plans already in place as of October 2024 are allowed to request a supplementary adjustment plan from the SFC within eight months of the issuance of the circular. The purpose of this plan is to bring existing obligations into line with the new regulatory requirements, particularly with regard to the gradual recognition of liabilities.

3. Next steps

- The deadline for submitting comments on the draft external circular is **May 30, 2025**.
- The deadline for submitting the required implementation and adjustment plan to the SFC is **November 2025**.
- The operational transition period begins on **January 1, 2026**, during which entities must prepare and simulate the application of IFRS 17 until December 31, 2026.
- Insurance companies must submit their opening financial statements to the SFC no later than **February 27, 2026**.
- During **2026**, entities must submit a quarterly comparative analysis between their current financial statements and those projected under IFRS 17.
- On **January 1, 2027**, IFRS 17 will become fully effective, and chapters XXXIV and XXXV of the Basic Accounting and Financial Circular will come into force.
- Starting on **January 1, 2027**, entities must begin the gradual recognition of liabilities, if applicable, and fully apply IFRS 17 for all new contracts.

27/05/2025

C SFC - Draft for the external circular: Guidelines for the management of conduct risk within the framework of the Comprehensive Risk Management System (SIAR)



1. Context

As part of its efforts to promote a sound, ethical, and resilient financial system, the SFC implemented the Integral System for Risk Administration in 2021, with the objective of establishing a structured framework that enables supervised institutions to manage the various risks they face in an integrated manner. This system seeks to ensure that banks identify, assess, control, and monitor the risks relevant to their operations in a timely manner, incorporating both financial and non-financial aspects, and fostering a preventive, coherent, and supervisory best-practices-aligned risk management approach.

In this context, the SFC has published for comment the **draft for external circular: guidelines for the management of conduct risk within the SIAR framework**. The main objective of this draft is to establish clear guidance for the creation and operation of the Conduct Risk Management System (SARCO), which will enable supervised entities to effectively identify, assess, control, and monitor this type of risk.

2. Main points

The document cover the following key aspects:

- **Policy for conduct risk management.** The SFC has issued the directive to incorporate conduct risk within the SIAR framework through the formulation and implementation of an institutional policy aimed at promoting ethical, responsible, and transparent behaviour. This policy must be approved by the board of directors and should establish the general guidelines for its proper application within the entity's operations, ensuring its integration into the organisational culture and internal control systems.
- **Tools and procedures for the management of conduct risk.** Supervised entities must define and apply mechanisms, tools, and procedures that enable the identification, assessment, control, and monitoring of conduct risk. These elements should be integrated transversally across internal processes, particularly those related to customer service, as well as in mechanisms that ensure market integrity and transparency.
- **Principles applicable to the conduct risk management.** The management of conduct risk must be based on institutional principles that guide the entity's conduct with its stakeholders. These include responsibility, fairness, transparency, just treatment, and respect for the rights of financial consumers. These principles must be applied in all contractual and commercial relationships with customers, employees, counterparties, and third parties acting on behalf of the entity.

3. Next steps

- **Transition regime.** To facilitate implementation, the SFC has set out the following deadlines, counted from the date of publication of the circular:
 - **Within six (6) months.** Definition and approval of the conduct risk management policy by the board of directors. Appointment of those responsible for the conduct risk management system. Initial incorporation of the guiding principles and risk-generating factors into internal manuals.
 - **Within twelve (12) months.** Development and implementation of procedures for the identification, evaluation, control, and monitoring of conduct risk. Inclusion of conduct risk within the Risk Appetite Framework (MAR) and the internal control system. Training and education of the relevant personnel.
 - **Within eighteen (18) months.** Full implementation of the information system and periodic conduct risk reporting. Consolidation of conduct risk management indicators and continuous improvement mechanisms. Inclusion of conduct risk in the integrated report submitted to the SFC.
- The deadline for submitting comments is **5:00 p.m. on 30 May 2025**.

25/06/2025

CL SFC - Circular regarding the rescheduling of the dates for submitting the stress test results required by the supervisor for 2025

The SFC has been strengthening the Stress Testing Framework (EPR) as a key tool within its supervisory strategy, with the aim of assessing the capacity of financial institutions to cope with different adverse economic scenarios. This initiative is part of a comprehensive risk management approach, aligned with Article 326 of the Organic Statute of the Financial System (EOSF) and with the new regulatory requirements that are being implemented.

In developing this framework, Circular Letter 018 of 2025 established that the results of the stress tests — including the qualitative report and the defined format — must be submitted to the SFC **by 31 July 2025** at the latest. However, due to the regulatory burden currently faced by supervised entities, particularly due to the entry into force of the new large exposure regime and the requirements derived from Decree 0573 of 2023, the supervisor has opted to relax the initially planned schedule.

In this context, through **Circular Letter 034 of 2025**, the SFC has decided to extend the deadline for **submission to 1 September 2025**, in order to facilitate a more orderly implementation and ensure a more robust assessment by entities, without undermining the objectives of the EPR as a prudential management tool.

Other publications of interest

This section is a compilation of the summaries published weekly by our R&D department through the FinRegAlert app. This content includes other regulatory publications considered to be of lower impact than those that received the alert label.

These publications are listed according to the geographic scope of the publication and the date of publication (from oldest to most recent).

In addition, the publications have been labelled for information purposes with the most representative topics of the type of content or nature of the publication:

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Other publications of interest

Global

IOSCO · Monitoring of the implementation of principles on systemic risk and regulatory perimeter

(04/02) · Supervisory expectations · Solvency

The International Organization of Securities Commissions (IOSCO) has published its final report on the monitoring of the implementation of Principles 6 and 7 of its objectives and principles of securities regulation, which relate to systemic risk and the regulatory perimeter. Based on a review of 55 jurisdictions from both developed and emerging markets, the report finds a high level of overall implementation, while highlighting areas for improvement, particularly in some emerging markets such as a lack of clear frameworks for systemic risk management or formal processes to review unregulated products and activities. IOSCO will continue to support these jurisdictions through the sharing of good practices and capacity-building efforts. The organization reaffirms its ongoing commitment to effective implementation. ([more detail](#))

IAIS · Application Paper on the Supervision of Climate-related Risks in the Insurance Sector

(04/16) · Sustainability

The International Association of Insurance Supervisors (IAIS) has released its Application Paper on the Supervision of Climate-related Risks in the Insurance Sector (April 2025). This document provides guidance and examples of good practices for insurance supervisors to integrate climate-related risk considerations into their supervisory frameworks. It aligns with the Insurance Core Principles (ICPs) and aims to promote a globally consistent approach to addressing climate-related risks in the insurance sector. The IAIS will host a public background session webinar to discuss the Application Paper on 28 April. ([more detail](#))

ISSB · Draft on the proposed amendments to IFRS S2

(04/28) · Sustainability

The International Sustainability Standards Board (ISSB) has published a draft amendment to International Financial Reporting Standards (IFRS) S2 on climate-related disclosures. The purpose of the document is to provide voluntary relief and technical clarifications on specific requirements related to greenhouse gas emissions in order to facilitate the implementation of the standard without compromising the usefulness of the information for users. The period for submitting comments will end on 27 June 2025. During the second half of 2025, the comments will be analysed and the proposals will be redeliberated. The final amendments will be published as soon as possible and may be applied in advance. ([more detail](#))

BCBS · Final version of the review of credit risk management principles

(04/30) · Credit risk

The Basel Committee on Banking Supervision (BCBS) has published a revision of the principles for credit risk management. These principles provide guidelines for banking supervisory authorities to evaluate banks' credit risk management processes in four key areas; establishing a suitable credit risk environment; operating under a sound credit-granting process; maintaining an appropriate credit administration, measurement, and monitoring process; and ensuring adequate controls over credit risk. This is the final version of the revised principles for credit risk management, which does not include any changes from the consultation document. ([more detail](#))

NGFS · Short-term climate scenarios for assessing physical and transition risks

(05/07) · Sustainability · Risks

The Network for Greening the Financial System (NGFS) has released its first set of short-term climate scenarios, aimed at assessing the economic and financial impacts of physical and transition risks through 2030. Developed in collaboration with leading academic institutions, these publicly available tools provide detailed sectoral and geographical data for climate stress testing and macroeconomic analysis. The scenarios highlight potential effects of extreme weather events and abrupt policy changes, emphasizing the need for timely climate action to mitigate future economic damages. ([more detail](#))

IOSCO · Characteristics and trends in the sustainable bond market

(05/21) · Sustainability

On May 21, the International Organization of Securities Commissions (IOSCO) published its report on sustainable bonds, analyzing the characteristics and trends of this rapidly growing market. In 2024, issuances reached US\$1.1 trillion, up 5% from 2023, for a cumulative total of more than US\$6 trillion. The report highlights five key recommendations: clarify regulatory frameworks, establish guiding principles, strengthen transparency in the disclosure of sustainable goals, promote independent external assessors, and encourage training programs. These measures seek to improve investor confidence, ensure fair markets, and broaden participation. Jean-Paul Servais, IOSCO chair, emphasized that the document seeks to guide jurisdictions in strengthening their

sustainable bond markets. The initiative included research, surveys, and a roundtable with the OECD, reflecting a global and collaborative approach to strengthening sustainable finance. [\(more detail\)](#)

IOSCO · Updated recommendations on liquidity risk management in collective investment funds
(05/26) · Risks and capital

On May 26, 2025, the International Organization of Securities Commissions (IOSCO) published its final report with updated recommendations for liquidity risk management in collective investment schemes (CIS), together with an implementation guide. The document responds to the structural challenges posed by liquidity mismatches in open-ended funds, identified by the Financial Stability Board (FSB) in 2023. The report includes 17 recommendations in six key areas: CIS design, liquidity management tools, operational practices, stress testing, governance, and disclosure to investors and authorities. The accompanying guide provides practical details to facilitate effective implementation. Jean-Paul Servais, IOSCO Chair, highlighted that these recommendations strengthen supervision and financial stability. Christina Choi, Chair of IOSCO's Investment Management Committee, emphasized that the publication represents a significant step forward toward more robust and timely liquidity management in the current macroeconomic environment. [\(more detail\)](#)

BCBS · Technical amendments and frequently asked questions on the Basel Framework
(06/11) · Risks and capital

The Basel Committee on Banking Supervision (BCBS) has released a technical amendment and a set of frequently asked questions to promote consistent interpretation of the Basel Framework. The amendment addresses an inconsistency in the treatment of rental income from investment properties under the standardized approach (SA) to operational risk, proposing to reclassify such income as interest income instead of other operating income. Additionally, new FAQs related to the SA to credit risk have been added. The document is open for comments until July 25, 2025. [\(more detail\)](#)

BCBS · Voluntary framework for the disclosure of climate-related financial risk
(06/17) · Sustainability

The Basel Committee on Banking Supervision (BCBS) has published the final document with the voluntary framework for the disclosure of climate-related financial risks. The final document introduces terminological and methodological adjustments, such as replacing forecasts with targets, applying the materiality principle, removing the template on facilitated emissions (CRFR5), and revising the CRFRA and CRFRB tables to improve accuracy and comparability, as well as explicitly confirming the voluntary nature of the framework. [\(more detail\)](#)

IAIS · Guidance on transitioning to a risk-based solvency regime
(06/19) · Capital/Solvency

The International Association of Insurance Supervisors (IAIS) has published guidance on transitioning to a risk-based solvency (RBS) regime. The document offers practical support for supervisory authorities implementing or enhancing risk-oriented solvency frameworks, emphasizing key principles such as proportionality, transparency, and alignment with international standards. The guidance aims to support the global insurance sector's resilience and promote more effective and consistent supervision worldwide. [\(more detail\)](#)

IASB · Revised Practice Statement on management commentary
(06/23) · Accounting

The International Accounting Standards Board (IASB) has issued the revised version of practice statement 1 on management commentary. This update aims to improve and harmonize globally the narrative reports accompanying financial statements, focusing on investors' information needs and addressing shortcomings identified in current practice. The revised statement adopts an objective-based approach, structuring the content into six interrelated areas: business model, strategy, external environment, resources and relationships, risks, and performance and financial position. In addition, it promotes consistency across different financial reports and facilitates the integration of sustainability-related information, in collaboration with the International Sustainability Standards Board (ISSB). The practical statement is not mandatory, but it is expected to serve as a global reference for regulators and companies in the preparation of more useful and connected management reports. [\(more detail\)](#)

ISSB · Guidance on transitioning to a risk-based solvency regime under IFRS S2
(06/25) · Sustainability

The International Sustainability Standards Board (ISSB) has published application guidance on climate transition disclosures, including transition plans, in accordance with the international financial reporting standard (IFRS) S2. The purpose of the document is to facilitate the practical implementation of the standard by helping companies communicate clearly and in a structured manner how they respond to climate risks and opportunities in terms of strategy, governance, and metrics, with a particular focus on the concept of a transition plan. [\(more detail\)](#)

Other publications of interest

European Region

EC · Technical criteria and review of the Climate Delegated Act for 2025

(04/01) · Sustainability

The Platform on Sustainable Finance, an advisory body to the European Commission (EC), has published a report that presents technical criteria for new activities and the first review of the Climate Delegated Act. The report recommends amendments to the technical screening criteria of economic activities included in the Climate Delegated Act adopted in 2021, focusing on transitional activities. Additionally, it develops Do No Significant Harm (DNSH) criteria for new activities and activities already included in the Taxonomy Delegated Acts. The aim is to enhance the economy's climate resilience and support environmental transition. The next steps include implementing these criteria in European Union's policies. ([more detail](#))

SRB · Public consultation on expectations on valuation capabilities of resolution

(04/02) · Restructuring and resolution

The Single Resolution Board (SRB) has launched a public consultation on its proposal to standardize the data needed for the valuation of banks undergoing resolution. The initiative aims to ensure that institutions have clear and accessible information to assess their financial situation accurately and promptly. The consultation covers key aspects of data requirements and the capabilities banks need to develop to comply with these standards. The consultation will remain open until July 1, 2025. ([more detail](#))

ESMA · Public consultation on transparency requirements for derivatives

(04/03) · Compliance

The European Securities and Markets Authority (ESMA) has launched a public consultation on proposed regulatory technical standards (RTS) concerning transparency requirements for derivatives, including a new deferral regime for Exchange Traded Derivatives (ETD) and Over The Counter (OTC) derivatives, with specifications on size thresholds, liquidity assessment, and deferral durations for post-trade transparency. The consultation also covers amendments to pre-trade transparency waivers and post-trade reporting fields. The consultation is open until 3 July 2025, with ESMA expected to publish a final report and submit the draft standards to the European Commission in Q4 2025. ([more detail](#))

ESMA · Proposal for simplification of insider list format under Listing Act amendments

(04/03) · Reporting and disclosure

The European Securities and Markets Authority (ESMA) has published a consultation paper proposing changes to the way insider lists are drawn up and updated. This proposal is part of the amendments made to the Listing Act, which affects the Market Abuse Regulation (MAR). The goal of the proposal is to simplify the format already used by issuers in the SME Growth Market and apply it to all issuers. This would reduce the administrative burden of creating and maintaining insider lists under MAR. Stakeholders can submit their comments until June 3, 2025. After evaluating the feedback, ESMA plans to send the proposed rules to the European Commission in the fourth quarter of 2025. ([more detail](#))

EIOPA · Series of public consultations on group supervision, related undertakings, and volatility adjustments following Solvency II

(04/03) · Solvency

The European Insurance and Occupational Pensions Authority (EIOPA) has launched a series of public consultations on the supervision of groups, related companies and volatility adjustments as part of its ongoing efforts to refine the Solvency II framework. The consultations focus on clarifying definitions, improving the identification and treatment of related companies within insurance groups and refining the application of volatility adjustments to better reflect risk exposures. These changes are intended to enhance supervisory convergence and support the consistent application of the revised Solvency II Directive. Interested parties can submit comments until June 26, 2025. ([more detail](#))

EIOPA · Europe-wide liquidity stress test of occupational pension funds

(04/07) · Stress tests · Liquidity

The European Insurance and Occupational Pensions Authority (EIOPA) has initiated its fifth Europe-wide stress test of Institutions for Occupational Retirement Provision (IORPs). This exercise aims to evaluate the sector's sensitivity to rapid movements in yield curves and to focus on liquidity risks, particularly considering recent market events that have highlighted the relevance of such risks for long-term institutional investors. The stress test includes two scenarios: a sharp increase in interest rates due to escalating geopolitical tensions leading to trade disruptions and higher commodity prices, and a significant decrease in interest rates resulting from

prolonged geopolitical tensions causing loss of confidence in financial markets and subdued economic growth. The results of this stress test are expected to be published in mid-December 2025. ([more detail](#))

ESMA · Public consultation on clearing thresholds under the EMIR 3 Regulation

(04/08) · Compliance

The European Securities and Markets Authority (ESMA) has launched a public consultation on the clearing thresholds under the review of the European Market Infrastructure Regulation (EMIR). Clearing thresholds are limits set to determine which counterparties must clear their derivative contracts with a central counterparty (CCP). This consultation aims to gather views on a revised set of these thresholds, hedging exemptions for non-financial counterparties, and a mechanism for periodically reviewing these thresholds. ESMA invites stakeholders to submit their feedback by June 16, 2025. ([more detail](#))

ESMA · Proposals for regulating transparency and circuit breaker mechanisms in financial markets

(04/10) · Conduct · Capital markets · Reporting

The European Securities and Markets Authority (ESMA) has released a final report proposing new rules as part of the review of the Markets in Financial Instruments Regulation (MiFIR). The aim is to ensure that the rules are applied more clearly and consistently across the European Union (EU), while also simplifying procedures and reducing burdens for financial firms. The proposals include removing the requirement for daily reports on trading data, creating common criteria for firms acting as Systematic Internalisers (SIs) which means firms trading on their own account outside of official markets, and setting rules for automatic mechanisms that temporarily pause trading when markets move sharply. The report has been submitted to the European Commission (EC) for review which has three months to decide whether to approve the draft technical standards. ([more detail](#))

ESMA · Draft RTS and a final report on the Guidelines on Liquidity Management Tools

(04/15) · Liquidity

The European Securities and Markets Authority (ESMA) has published the draft Regulatory Technical Standards (RTS) and a final report on the Guidelines (GL) on Liquidity Management Tools (LMTs), aiming to strengthen the capacity of European Union (EU) fund managers to manage liquidity risks, especially during periods of market stress. These new rules will clarify the functioning of LMTs, including tools like side pockets, which currently vary significantly across EU Member States. The initiative forms part of the implementation of the revised Alternative Investment Fund Managers Directive (AIFMD) and undertaking for collective investment in transferable securities (UCITS) Directive, and seeks to harmonise the availability and use of LMTs across the EU, contributing to financial stability and the ongoing debate on non-bank financial intermediation. The draft RTS have been submitted to the European Commission (EC) for adoption, while the Guidelines will apply once the RTS enter into force. Existing funds will have twelve months to comply with the new rules. ([more detail](#))

EC · Targeted consultation on integration of EU capital markets

(04/15) · Capital markets

The European Commission (EC) has announced a targeted consultation on the integration of European Union (EU) capital markets, inviting feedback from a wide range of stakeholders including financial institutions, national authorities, EU bodies, non-governmental organization (NGOs), academics, and both institutional and retail investors. This consultation forms part of the Savings and Investments Union (SIU) strategy, launched on 19 March 2025, which seeks to strengthen the EU economy by improving the mobilisation of savings into productive investments. The consultation aims to identify legal, regulatory, technological, and supervisory barriers that hinder cross-border financial market integration. By addressing these obstacles, the Commission hopes to create a more efficient, competitive, and accessible EU capital market. The online questionnaire will be available from 22 April 2025. ([more detail](#))

EBA · Criteria for the appointment of a central contact point by crypto-asset service providers

(04/25) · Cryptoassets · Financial crime

The European Banking Authority (EBA) has published new draft Regulatory Technical Standards (RTS) that define when crypto-asset service providers (CASPs) must appoint a central contact point to help fight financial crime. These RTS set out the conditions under which CASPs should appoint a central contact point and the roles and responsibilities of such a point. The aim is to mitigate money laundering and terrorist financing risks associated with the cross-border provision of crypto asset services and facilitate adequate supervision. ([more detail](#))

EFRAG · Work plan for the simplification of the European Sustainability Reporting Standards

(04/25) · Sustainability · Disclosure

The European Financial Reporting Advisory Group (EFRAG) has delivered a work plan to the European Commission (EC) in response to the mandate to simplify the European Sustainability Reporting Standards (ESRS). This work plan includes proposals to reduce reporting burdens and enhance the applicability of the standards, drawing on the experience of the first companies that issued their sustainability statements for the 2024 financial year. The goal is to simplify the standards without compromising the robustness and effectiveness of sustainability reporting. Key dates in the plan include the definition of the vision in April–May 2025, a public consultation between August and September, and the delivery of the technical advice to the European Commission by 31 October 2025. ([more detail](#))

ESMA · Guidelines for the prevention and detection of market abuse under the Markets in Crypto-Assets Regulation

(04/29) · Cryptoassets · Market abuse

The European Securities and Markets Authority (ESMA) has published a final report on guidelines for competent authorities' supervisory practices to prevent and detect market abuse under the Markets in Cryptoassets Regulation (MiCA). These guidelines set out general principles to ensure consistent and effective supervisory practices among National Competent Authorities (NCAs), promoting a common supervisory culture to maintain market integrity. ([more detail](#))

EIOPA · First set of consultations for the preparation of the implementation of the IRRD

(04/29) · Recovery and resolution

The European Insurance and Occupational Pensions Authority (EIOPA) has launched a set of consultations in preparation for the European Union (EU)'s Insurance Recovery and Resolution Directive (IRRDR). These consultations propose guidelines and technical standards (RTS) on key aspects such as pre-emptive recovery plans, resolution plans, and the resolvability of insurance undertakings and groups. The IRRDR, set to become operational in 2027, aims to enhance the stability of the European insurance sector and effectively manage insurance failures. The consultations will be open until July 31, 2025. ([more detail](#))

EBA · Updates to ITS on resolution planning reporting framework

(05/07) · Recovery and resolution

The European Banking Authority (EBA) has updated its Implementing Technical Standards (ITS) on the resolution planning reporting framework. These revisions aim to enhance data consistency and efficiency for resolution authorities, facilitating more consistent oversight and reducing administrative burdens for financial institutions. Key changes include expanding the scope of entities subject to reporting, introducing new data on critical functions, financial market infrastructures, essential services, and key information systems, as well as harmonizing reporting deadlines. During Q4 2025 the EBA will publish a technical package that shall be used by institutions to submit this resolution planning reporting information to resolution authorities. ([more detail](#))

ESMA · Technical advice on the objectives of the listing Act

(05/07) · Markets · Conduct

The European Securities and Markets Authority (ESMA) has provided technical advice to the European Commission (EC) to support the objectives of the Listing Act, aiming to simplify listing requirements, enhance European Union (EU) companies' access to public capital markets, and improve market integrity. Concerning the Market Abuse Regulation (MAR), the advice covers the identification of key moments for public disclosure and the Cross-Market Order Book (CMOB) mechanism, indicating the methodology for identifying trading venues with significant cross-border activity. Regarding the Markets in Financial Instruments Directive (MiFID II), ESMA focuses on reviewing the requirements for multilateral trading facilities and segments for registration as Small and Medium-sized Enterprises Growth Markets (SME Growth Markets). The EC is expected to adopt the relevant delegated acts by July 2026. ([more detail](#))

ECB · Support on the proposal to be able to delay the implementation of FRTB until 2027

(05/07) · Capital · Market

The European Central Bank (ECB) has expressed support for a proposal that would allow banks to choose whether to implement in 2026 the new capital rules for trading operations, known as the Fundamental Review of the Trading Book (FRTB), or to defer them until 2027. In its response to a European Commission (EC) consultation, the ECB notes that a dual-track approach could help maintain the momentum of FRTB implementation, part of the package of global regulatory reforms agreed in Basel in 2017 in the wake of the financial crisis. The move seeks to avoid disadvantages for European banks, after the United Kingdom (UK) delayed FRTB implementation and the United States (US) failed to move forward with implementation. While smaller banks prefer the new standardized model for its potential savings, larger banks face higher capital requirements. The ECB now considers that the flexible model can be valid, provided it is accompanied by adequate supervisory safeguards. The body rejects, however, a total deferral like the UK's, which it considers would prolong regulatory uncertainty. ([more detail](#))

EC - Proposal for a Regulation to foster market integration and financial supervision in the European Union through the savings and investment union

(05/08) · Markets

The European Commission (EC) has launched an initiative to establish a new Regulation on the savings and investment union, with the aim of fostering the integration of the European Union (EU) market and improving efficient supervision. The savings and investment union is a strategy that seeks to channel savings into productive investments, offering better investment opportunities to EU citizens and businesses. This initiative seeks to harmonize financial regulations among Member States, facilitate retail investors' access to financial products and strengthen cross-border supervision. The public consultation is open until June 5, 2025, and the EC is expected to present a legislative proposal based on the comments received in the fourth quarter of 2025. ([more detail](#))

EC • Consultation on exempting spot foreign exchange benchmarks from regulation requirements

(05/09) • Markets

The European Commission (EC) has launched a targeted consultation to assess the need to exempt spot foreign exchange (FX) benchmarks from the requirements of article 18 a) of European Union (EU) Regulation 2016/1011. This article allows the EC to exempt certain benchmarks from the obligations of the Regulation, provided that certain criteria are met. This consultation aims to gather feedback from entities using spot FX benchmarks, companies hedging against exchange rate movements, competent authorities, and benchmark administrators. The goal is to identify benchmarks that meet specific conditions and ensure that EU businesses can effectively hedge foreign exchange exposure. The deadline for responses is on July 4, 2025. ([more detail](#))

ECB • Review and inclusion of improvements in the supervisory evaluation of ICAAP

(05/14) • Capital, liquidity and leverage

The European Central Bank (ECB) has announced enhancements to the supervisory assessment of the Internal Capital Adequacy Assessment Process (ICAAP) to strengthen capital management in banks. The ICAAP, established under the Capital Requirements Directive (CRD), enables institutions to identify and manage their material risks, ensuring they have sufficient capital resources to cover these risks. The proposed enhancements aim to make supervision more efficient, effective, and risk-based, aligning with structural changes and emerging challenges in the banking sector. ([more detail](#))

ECB • Reform of the Supervisory Review and Evaluation Process SREP

(05/14) • Capital, liquidity and leverage

The European Central Bank (ECB) has announced a reform of the Supervisory Review and Evaluation Process (SREP) to make it more efficient and focused on the most significant risks. This reform aims to streamline supervisory decisions, concentrating on the most important risks and necessary measures to address them, thereby conveying supervisory concerns to banks more clearly. Additionally, the SREP decisions are intended to be more understandable and tailored to each bank's specific situation. ([more detail](#))

EBA • Repeal of Guidelines on high-risk exposures within the CRR 3 framework

(05/16) • Risks and capital

The European Banking Authority (EBA) has repealed its Guidelines on the specification of types of exposures to be associated with high risk, originally published in 2019. This decision is in response to the entry into force of the new Capital Requirements Regulation (CRR 3), which introduces significant changes in the classification and treatment of high-risk exposures. The repeal of these guidelines aims to provide legal certainty to the market and prevent potential inconsistencies with the new regulation. The EBA will continue to monitor the implementation of CRR 3 and assess the need to develop new guidelines or clarifications in the future. ([more detail](#))

ESMA • Call for evidence of the retail investor journey and potential regulatory simplifications

(05/21) • Capital market • Compliance and conduct

The European Securities and Markets Authority (ESMA) has launched a Call for Evidence to examine the retail investor journey under the markets in financial instruments Directive II (MiFID II). The initiative aims to identify potential regulatory or non-regulatory barriers that may discourage retail investor participation in capital markets. The consultation explores topics such as the appeal of speculative products to younger investors, the complexity of information provided, and the effectiveness of digital tools in investment decision-making. ESMA invites all stakeholders to submit their feedback by July 21, 2025. ([more detail](#))

EFrag • Draft guidance for the adoption of IFRS 19 reduced disclosure standard for non-publicly accountable subsidiaries

(05/21) • Accounting

The European Financial Reporting Advisory Group (EFRAG) has released its draft endorsement advice about the subsidiaries without public accountability disclosures standard (IFRS 19). This standard aims to simplify financial reporting for subsidiaries without public accountability by allowing them to apply International Financial Reporting Standards (IFRS) with reduced disclosure requirements under specific conditions. EFRAG has assessed that IFRS 19 meets the technical endorsement criteria within the European Union (EU) and recommends its adoption, noting that the standard maintains the usefulness of financial information for users while reducing reporting burdens and costs for eligible subsidiaries. Stakeholders are invited to submit their comments on this draft endorsement advice by September 3, 2025. ([more detail](#))

EBA • Consultation paper on draft ITS amending CRR related public disclosure requirements

(05/22) • Sustainability

The European Banking Authority (EBA) has published a consultation paper regarding the disclosures on ESG risks, equity exposures and the aggregate exposure to shadow banking entities. Its objective is to adapt the disclosure framework of Pillar 3 to the new mandates of Capital Requirements Regulation 3 (CRR3) by extending the scope of application to a larger number of entities, adopting a proportional approach based on the profile of the entities, and aligning it with other relevant regulatory frameworks such as the Taxonomy Regulation. In addition, the implementing technical standards (ITS) package includes transitional measures and interim guidance to facilitate the progressive, coordinated, and efficient implementation of these new obligations. The

public consultation period will be open until August 22, 2025. Affected entities will begin applying the new ITSS with a reference date of December 31, 2026. ([more detail](#))

EBA · Entity onboarding plan for the launch of the Pillar 3 data hub

(05/22) · Sustainability

The European Banking Authority (EBA) has published its onboarding plan for the implementation of the Pillar 3 data hub (P3DH), a centralized platform for prudential disclosures by European Union (EU) banks. This initiative aims to enhance transparency and accessibility of regulatory information. The onboarding plan provides technical guidance for large and other institutions on submitting disclosures in structured formats, such as XBRL-CSV and data-extractable PDFs, through the EBA's single electronic access point. It also outlines the identification systems to be used and the timeline for the platform's go live. A transition period is set from June to December 2025, allowing institutions to adapt to the new reporting process. ([more detail](#))

EBA · Final technical package for the 4.1 reporting framework to support compliance assessment of issuers and the Pillar 3 data hub

(05/28) · Risks and capital · Cryptoassets

The European Banking Authority (EBA) has released the final technical package for its reporting framework 4.1, introducing significant enhancements in regulatory data collection and analysis. This package includes new templates for market risk benchmarking, reporting guidelines under the Markets in Crypto-assets Regulation (MiCAR), and the integration of instant payments into the Data Point Model (DPM) and XBRL taxonomy. Additionally, the Pillar 3 template set is expanded to support data collection in the Pillar 3 data hub. ([more detail](#))

EFRAG · Consultation on proposed amendments to emissions disclosures in IFRS S2

(05/28) · Accounting · Sustainability

The European Financial Reporting Advisory Group (EFRAG) published its draft letter on the International Sustainability Standards Board's (ISSB) exposure draft proposing amendments to greenhouse gas emissions disclosures under International Financial Reporting Standard S2 (IFRS S2). EFRAG's tentative view is that the proposal to temporarily omit disclosures of emissions related to derivatives, financed emissions, and insured emissions should be subject to future review, reflecting potential changes in reporting practices and methodological developments. Comments on this draft letter are invited until June 19, 2025. ([more detail](#))

EBA · MoU on the establishment of the JBRC

(05/28) · Government

The European Banking Authority (EBA) has published the MoU establishing the Joint Bank Reporting Committee (JBRC). This body aims to strengthen cooperation among national and European financial supervisory authorities by facilitating information exchange, coordination of supervisory activities, and joint development of standards and methodologies. The MoU sets out the JBRC's governance structure, operational principles, and mechanisms for joint decision-making. The agreement will enter into force on 1 July 2025. ([more detail](#))

EBA · MoU on the establishment of a common DPM

(02/06) · Risks and capital

The European Banking Authority (EBA) has published a Memorandum of Understanding (MoU) signed by members of the Joint Board of Regulatory Colleges (JBRC) under the framework of the Data Point Model Alliance (DPM Alliance). The agreement formalises institutional cooperation in the development and governance of the DPM, which is used to standardise supervisory data collection across the European Union (EU). The MoU outlines principles for collaboration, joint decision-making processes, and commitments to maintaining a shared technical architecture to support interoperability among authorities. The MoU entered into force on 19 March 2024 and includes recurring milestones such as biannual meetings, quarterly work plan reviews, and an annual alliance conference. ([more detail](#))

EC · Regulation on conflicts of interest for issuers of asset-backed tokens

(06/10) · Cryptoassets

The European Commission (EC) has published Delegated Regulation 2025/1141, which supplements Regulation 2023/1114 on crypto-asset markets (MiCA), establishing technical regulatory standards (RTS) for issuers of asset-referenced tokens. This regulation details the requirements that policies and procedures must meet to identify, prevent, manage, and disclose conflicts of interest that may affect both issuers and holders of these tokens. It addresses situations that could compromise the objectivity of persons linked to the issuer, including economic, personal, or professional relationships that give rise to conflicting interests. In addition, guidelines are established on the management of personal data in accordance with the General Data Protection Regulation (GDPR), and relevant information is required to be made available in an official language of the home Member State and in a language customary in the sphere of international finance. This regulation will enter into force on June 29. ([more detail](#))

EC · Regulation on records of services related to cryptoassets

(06/10) · Cryptoassets

The European Commission (EC) has published Delegated Regulation 2025/1140, which supplements Regulation 2023/1114 on cryptoasset markets by establishing regulatory technical standards on the records that cryptoasset service providers must keep. The Regulation details obligations regarding the documentation of orders, transactions, custody of client assets and funds, outsourcing of services, management of trading platforms, and prevention of market abuse. Strict requirements are introduced on customer identification, decision algorithms, data structure, standard formats, and the use of identifiers such as the Legal Entity Identifier (LEI), the European Unique Identifier (EUID), and the Digital Token Identifier (DTI). The traceability of transactions both on-chain and off-chain is also regulated, including data on smart contracts and wallets. This regulation will enter into force on June 29. [\(more detail\)](#)

EBA · No Action letter on the interplay between PSD2/3 and MiCA

(06/11) · Payments and digital currency · Cryptoassets

The European Banking Authority (EBA) has published a no-action letter addressing the interaction between the Payment Services Directive (PSD2/3) and the Markets in Crypto Assets Regulation (MiCA), focusing on crypto asset service providers (CASPs) that manage electronic money tokens (EMTs). The EBA advises national competent authorities (NCAs) that, until March 2, 2026, they should exempt certain CASPs from the obligation to obtain additional authorization under PSD2 for services related to EMTs, provided they are already authorized under MiCA. In addition, it recommends that NCAs prioritize the supervision of key aspects such as strong customer authentication and fraud prevention, while other PSD2 obligations may be deprioritized during this transitional period. In the long term, the EBA suggests that European Union (EU) legislation should avoid double authorization for EMT-related activities, proposing that PSD3 and the Payment Services Regulation (PSR) clarify and harmonize the applicable requirements. [\(more detail\)](#)

EC · Public consultation on Recommendation on savings and investment accounts

(06/11) · Strategy and commercial

The European Commission (EC) has launched a public consultation to gather views on its upcoming Recommendation on savings and investment accounts, as part of the European Union (EU) Savings and Investment Strategy. This initiative aims to facilitate citizens' participation in capital markets, improve the returns on their savings, and increase the financing available to EU businesses. Contributions will be taken into account in the preparation of the Recommendation, which is scheduled for the third quarter of 2025. [\(more detail\)](#)

ECB · Third analysis on climate-related financial disclosures

(06/12) · Sustainability

The European Central Bank (ECB) has published its third climate-related financial disclosure report, introducing for the first time an indicator on nature loss. This new metric assesses the exposure of the Eurosystem's corporate bond portfolios to sectors with significant dependencies or impacts on nature, such as utilities, food, and real estate, which collectively account for approximately 30% of these holdings. The report also highlights a continued decline in carbon emissions across most asset classes since 2021, partly due to the tilting framework that favors issuers with superior climate performance. Additionally, the ECB has set interim quantitative emission reduction targets for corporate bond holdings under the Asset Purchase Programme (APP) and the Pandemic Emergency Purchase Programme (PEPP). [\(more detail\)](#)

ESMA · Principles for third-party risk supervision

(06/12) · Risks

The European Securities and Markets Authority (ESMA) has published 14 principles for the supervision of risks associated with third parties, with the aim of promoting a common and effective supervisory culture across the European Union (EU). These principles address the risks arising from the increasing use of third-party services by supervised entities, including outsourcing and the delegation of critical functions. Although not binding, they provide a common basis for national competent authorities (NCAs) to identify, assess, and supervise these risks in a consistent and proportionate manner, regardless of the location or relationship of the service provider. ESMA will support the progressive implementation of these principles through supervisory discussions and case studies among national competent authorities. [\(more detail\)](#)

EBA · Revised list of validation rules on supervisory reporting

(06/12) · Risks and capital · Compliance and conduct

The European Banking Authority (EBA) has published a revised list of validation rules applicable to supervisory reporting frameworks, including Financial Reporting (FINREP), Common Reporting (COREP), and other datasets. The update includes new, amended, and reactivated rules to be applied in reporting submissions under the Implementing Technical Standards (ITS). The EBA advises national competent authorities (NCAs) to consider this list in their data quality checks. No specific dates are given, but the updated list is now available for immediate application. [\(more detail\)](#)

Council · Agreement on position to further harmonize national insolvency rules

(06/12) · Risks and capital · Compliance and conduct

The Council of the European Union (EU) has approved its position on the proposal for a Directive on Insolvency Law, which aims to harmonize certain aspects of national insolvency frameworks in order to facilitate cross-border investment and improve credit recovery in the EU. The proposal includes common rules on simplified winding-up procedures for micro-enterprises, avoidance actions, information obligations for insolvency practitioners, and greater transparency in judicial proceedings. The adoption of the Council's position allows negotiations with the European Parliament (EP) to begin as soon as it adopts its own position. [\(more detail\)](#)

Council · Decision on maintaining certain bank liquidity rules

(06/12) · Liquidity

The Council of the European Union (EU) has approved a decision to permanently maintain certain bank liquidity rules that were initially introduced as temporary measures during the COVID-19 pandemic. Specifically, the decision preserves provisions allowing banks to exclude certain exposures to central banks from the calculation of the leverage ratio, thereby enhancing their ability to support the real economy during stress periods. This measure, framed under the Capital Requirements Regulation (CRR), will now become a permanent feature of the regulatory framework, eliminating the need for periodic renewals. [\(more detail\)](#)

EC · Delegated Regulation amending the date of application of own funds requirements for market risk

(06/12) · Risks and capital · Market

The European Commission (EC) has published a Delegated Regulation amending the date of application of own funds requirements for market risk. The aim of this publication is to postpone the entry into force of the Fundamental Review of the Trading Book (FRTB) as a mandatory capital requirement in the European Union (EU) by one additional year, until 1 January 2027, in order to maintain a level playing field with other international jurisdictions. The new Delegated Regulation will enter into force on the day following its publication in the Official Journal of the European Union (OJEU). It will apply from 1 January 2026, although the effective requirement to comply with the FRTB as a capital requirement is deferred until 1 January 2027. During this period, institutions are expected to continue their preparations to fully adopt the FRTB standard as a mandatory capital requirement from that date. [\(more detail\)](#)

ESMA · Final reports on the Prospectus Regulation and on civil prospectus liability

(06/13) · Asset management · Compliance

The European Securities and Markets Authority (ESMA) has published its final reports on the Prospectus Regulation and on civil prospectus liability. The proposals include standardizing the format, introducing requirements for securities with environmental, social and governance (ESG) characteristics, and improving review processes. Adjustments to data to align with the European Single Access Point (ESAP) are also proposed. The European Commission (EC) will decide within three months whether to adopt the proposed rules and must submit a report on civil liability by December 31, 2025. [\(more detail\)](#)

EC · Targeted consultation on supplementary pensions

(06/13) · Asset management

The European Commission (EC) has launched a public consultation to gather views on measures to promote the uptake of supplementary pensions in Europe, improve their performance, and facilitate long-term investment by pension funds in the real economy. This initiative is part of the Savings and Investment Union Strategy (SIU) and includes recommendations to Member States on automatic enrollment, pension monitoring systems, information panels, and the application of the prudent person principle by pension funds. It also assesses possible regulatory adjustments to the Directive on Institutions for Occupational Retirement Provision (IORP II) and the Regulation on Pan-European Personal Pension Products (PEPP). The consultation is open until August 29, 2025. [\(more detail\)](#)

EBA · RTS and ITS on operational risk capital requirements and related supervisory reporting

(06/18) · Operational risk · Solvency and capital

The European Banking Authority (EBA) has published a set of Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) that develop the provisions of Articles 314, 315, and 430 of the Capital Requirements Regulation (CRR). Specifically, it details the list of items that must be included and excluded from the Business Indicator (BI) (Article 314.9), the mapping of these items to the formats of the Supervisory Financial Reporting Framework (FINREP) (Art. 314.10), the conditions and procedure for applying adjustments to the indicator after structural operations (Art. 315.3), and the formats and instructions for supervisory reporting (Art. 430.7). The aim is to provide institutions and supervisors with a clear, consistent, and effective technical framework for applying the new capital requirements for operational risk. During the fourth quarter of 2025, the EBA will publish a technical package, which will include the data point model (DPM), validation rules, and taxonomy, which entities must use. The first applicable reference date for reporting under the draft ITS is March 31, 2026. [\(more detail\)](#)

Council · Agreement on a shorter settlement cycle

(06/18) · Capital markets

The Council of the European Union (EU) and the European Parliament (EP) have reached a political agreement to shorten the securities settlement cycle in the European Union from two business days (T+2) to one business day (T+1). This reform aims to enhance efficiency and reduce operational and financial risks in capital markets, aligning the EU system with jurisdictions such as the United States (US). The new framework will include periodic reviews and limited exemptions for specific types of transactions. The agreement still requires formal adoption by both institutions before it enters into force. ([more detail](#))

Council · Agreement on position on a more modern payment service framework

(06/18) · Payments and digital currency

The Council of the European Union (EU) has adopted its position on the new regulatory framework for payment services in the EU, which includes the proposal for the third Payment Services Directive (PSD3) and the new Payment Services Regulation (PSR). The reform aims to modernize and strengthen security, innovation, and consumer protection in the payments ecosystem, as well as improve access to financial data through more standardized interfaces. The Council's position will enable the start of negotiations with the European Parliament to finalize the legislative text. ([more detail](#))

ESMA · Final analysis on the active account requirement under EMIR 3

(06/19) · Capital markets

The European Securities and Markets Authority (ESMA) has published its final analysis on the active account requirement under the European Market Infrastructure Regulation (EMIR 3). The report outlines how entities must maintain an active account at a central counterparty established in the European Union (EU) for certain derivative classes, aiming to reduce reliance on third-country infrastructures and strengthen the EU's financial autonomy. The document includes technical guidance for implementation and will be submitted to the European Commission (EC) for formal adoption. ([more detail](#))

ESMA · Consultation on the methodology for computing EU Member States' market capitalisation and market capitalisation ratios

(06/19) · Capital markets

The European Securities and Markets Authority (ESMA) has launched a public consultation on the methodology for computing the market capitalisation and revenues of EU (European Union) Member States, in line with the Consolidated Data Services Regulation. The aim is to establish a uniform and transparent approach for determining these metrics, which will be used to define the financial contributions of each Member State and for supervising market data providers. The consultation is open until July 25, 2025. ([more detail](#))

EBA · Review on standardised terminology in relation to payment accounts and concludes it remains fit-for-purpose

(06/20) · Payments

The European Banking Authority (EBA) has completed its review of the standardized terminology used in relation to payment accounts, concluding that it remains fit for purpose. This review, mandated by the Payment Accounts Directive, assessed the clarity, usefulness, and consumer understanding of the terms used in the information provided by service providers. The EBA found no need for changes at this time but will continue to monitor their usage to ensure effective and transparent communication. ([more detail](#))

ESMA · Q&A on the shared order book model under MiCA

(06/20) · Cryptoassets

The European Securities and Markets Authority (ESMA) has published a questions and answers (Q&A) document on the shared order book model under the Markets in Crypto-Assets Regulation (MiCA). The document clarifies how transparency and oversight rules should apply when multiple crypto-asset service providers operate through a common trading infrastructure. The guidance aims to ensure consistent application of MiCA and mitigate market integrity and investor protection risks. This publication is part of the phased implementation of MiCA, which will take effect from 2025. ([more detail](#))

ESMA · Call for input on streamlining financial transaction reporting

(06/23) · Compliance and conduct

The European Securities and Markets Authority (ESMA) has launched a call for input aimed at enhancing the consistency and efficiency of financial transaction reporting requirements in the European Union (EU). This initiative is part of efforts to reduce regulatory costs and avoid duplication by potentially harmonizing frameworks such as the European Market Infrastructure Regulation (EMIR), the Securities Financing Transactions Regulation (SFTF), and the Markets in Financial Instruments Regulation (MiFIR). ESMA invites stakeholders to share their experiences and suggestions by September 19, 2025, to support the optimization of the data-driven supervision system. ([more detail](#))

EIOPA · Answer to consultation on capital markets integration

(06/19) · Capital markets

The European Insurance and Occupational Pensions Authority (EIOPA) has published its response to the European Commission (EC) consultation on capital markets integration in the European Union (EU). In its contribution,

EIOPA emphasizes the need to strengthen cross-border investment and long-term financing, as well as to promote a more proportionate and coherent regulatory framework for the insurance sector. It also highlights the importance of improving financial literacy, transparency, and access to suitable products for consumers. This response will help inform future policy development under the Capital Markets Union Action Plan. [\(more detail\)](#)

EBA · Analysis on standardised terminology in relation to payment accounts

(06/20) · Compliance and conduct · Payments and digital currency

The European Banking Authority (EBA) has published an analysis reviewing the standardized terminology for the most common services related to payment accounts, in accordance with the mandate of the Payment Accounts Directive (PAD). The assessment concludes that the current terms remain adequate and do not require immediate modification. Although the growing use of instant credit transfers following the implementation of the Instant Payments Regulation (IPR) is recognized, the EBA considers that including them in the standardized terminology is not essential at this time, due to the administrative costs that this would entail for the competent national authorities (NCAs) and payment service providers (PSPs). The EBA plans to review this terminology again in four years or sooner if there are significant legislative or market developments. [\(more detail\)](#)

ESMA · Consultation on streamlining financial transaction reporting

(06/20) · Payments/Transactional banking

The European Securities and Markets Authority (ESMA) has launched a consultation to gather opinions on how to simplify, integrate, and streamline supervisory reporting requirements in the area of financial transactions. This initiative is part of its Data Strategy and seeks to reduce the administrative burden on regulated entities while maintaining a high level of transparency and effective supervision. The consultation presents two options: eliminating overlaps without changing the current reporting channels, or creating a unified model based on the "report once" principle. ESMA has decided to temporarily pause amendments to existing regulatory technical standards (RTS) 22, 23, and 24 to avoid additional costs while these proposals are being evaluated. Stakeholders can submit their comments until September 19, 2025. The final report, which will identify the main cost drivers and propose the way forward, is expected to be published in early 2026. [\(more detail\)](#)

ESMA · Consultation on how to simplify funds' data reporting

(06/23) · Asset management

The European Securities and Markets Authority (ESMA) published a discussion paper seeking feedback on how to simplify and integrate fund data reporting requirements. This initiative aims to reduce the administrative burden caused by the current fragmentation, where multiple national and European reporting regimes lead to duplications and inefficient processes. The paper proposes options such as integrating reporting templates and centralizing reporting processes and infrastructures. This consultation is part of ESMA's data strategy and its objective of simplification and burden reduction. Stakeholders can submit their comments until 21 September 2025. The final report is expected to be published in April 2026. [\(more detail\)](#)

ESMA · Consultation on margin transparency and cost of clearing

(06/24) · Conduct

The European Securities and Markets Authority (ESMA) launched two public consultations related to the revision of the European Market Infrastructure Regulation (EMIR 3). These consultations seek to improve transparency in clearing services and margins required by central counterparties (CCPs) and clearing service providers (CSPs). The proposals include specifications on the information that CSPs must disclose to their clients regarding costs and fees, as well as requirements for margin simulation tools provided by CCPs and CSPs. The aim is to increase the efficiency and competitiveness of clearing services in the European Union (EU). ESMA invites interested parties to submit their comments by September 8, 2025. The final reports and draft technical standards are expected to be submitted to the European Commission (EC) by December 25, 2025. [\(more detail\)](#)

ESMA · Guidance on a key tool for CCPs resolution

(06/26) · Recovery and resolution

The European Securities and Markets Authority (ESMA) published its first guidance document on the resolution of central counterparties (CCPs), focusing on the operationalization of the extraordinary contribution mechanism. This mechanism allows national resolution authorities (NRAs) to request additional funds from non-defaulting clearing members to cover losses and maintain liquidity during a resolution process. The document provides a methodology for NRAs to define the necessary data to be collected by CCPs, assess the impact on stakeholders, and establish appropriate processes for executing extraordinary contributions, including effectiveness testing. These guidelines aim to harmonize practices across jurisdictions and strengthen financial stability in the European Union (EU). [\(more detail\)](#)

ESMA · Advice on eligible assets for UCITS

(06/26) · Asset management

The European Securities and Markets Authority (ESMA) has published its technical advice to the European Commission (EC) on the review of the Directive on eligible assets for undertakings for collective investment in transferable securities (UCITS). The report suggests using a full transparency approach to assess assets, allowing indirect exposures to alternative assets up to 10% with regulatory safeguards. In addition, clarifications on key concepts and definitions are suggested to improve harmonization and supervisory convergence in the European

Union (EU). ESMA expects the EC to consider these recommendations in its review of the Directive. ([more detail](#))

ESMA · Analysis on the reduction of the scope of pecuniary sanctions under CSDR

(06/26) · Cryptoassets

The European Securities and Markets Authority (ESMA) has published a final report defining the scope of cash penalties under the Central Securities Depositories Regulation (CSDR). This report, in line with the revised CSDR Refit settlement discipline framework, provides technical advice to the European Commission (EC) on the causes of settlement fails that are not considered attributable to the participants in the transaction and the circumstances in which certain transactions are not considered trading. Scenarios excluded from penalties include technical failures at the level of the Central Securities Depository (CSD), full-day trading suspensions, and the technical creation or redemption of fund units in the primary market, including exchange-traded funds (ETFs). The EC will take this technical advice into account when preparing a new delegated act to supplement the CSDR. ([more detail](#))

EBA · Joint consultation on guidelines for integrating common standards and sustainability considerations into ESG risk stress testing

(06/26) · Sustainability

The European Supervisory Authorities (ESAs) have launched a public consultation on joint guidelines for integrating environmental, social, and governance (ESG) risks into supervisory stress tests. These guidelines, aimed at competent authorities in the banking and insurance sectors, seek to harmonize methodologies and practices across the European Union (EU), promoting a gradual approach that prioritizes climate and environmental risks. The consultation will remain open until September 19, 2025. ([more detail](#))

Spain

BdE · Public consultation on the modification of financial reporting standards for credit institutions

(04/08) · Accounting

The Bank of Spain (BdE) has launched a public consultation prior to the amendment of Circular 4/2017, with the aim of updating the rules on public and confidential financial information, as well as the financial statement templates. The consultation seeks to align the regulations with the changes in international financial reporting standards (IFRS), resolve technical issues detected in their application and improve the usefulness and transparency of the information reported by entities. The main changes relate to the classification of financial assets, presentation of financial statements and income tax. In addition, country risk hedging criteria, accounting definitions and reserved financial statements are revised to improve regulatory consistency and align with international standards. The deadline to submit comments on the consultation is April 23, 2025. ([more detail](#))

DGSFP · Implementation of European guidelines on supervisory cooperation and information exchange

(04/21) · Governance

The General Directorate for Insurance and Pension Funds (DGSFP) published a resolution on the joint Guidelines of the European Supervisory Authorities (ESAs) regarding cooperation in supervision and the exchange of information between the ESAs and competent authorities. These guidelines aim to establish consistent, efficient, and effective supervisory practices within the European System of Financial Supervision (ESFS), ensuring the common application of European Union law on the exchange of relevant information to assess the suitability of qualifying shareholders, directors, and key function holders within financial institutions. ([more detail](#))

CNMV · Review of investment documents' compliance with European regulatory standards

(04/22) · Compliance

The National Securities Market Commission (CNMV) reviewed the Key Information Documents (KIDs) of Collective Investment Institutions (CIIs) and Venture Capital Entities (VCEs) to ensure compliance with the Regulation on Packaged Retail and Insurance-Based Investment Products (PRIIPs). Deficiencies were found in areas such as investment policy, risk indicators, performance scenarios, and cost breakdowns. CNMV has requested that management entities make necessary adjustments to align with regulatory requirements. ([more detail](#))

CNMV · Reporting requirements for cryptoasset service providers

(04/24) · Cryptoassets

The national securities market commission (CNMV) has approved a circular defining the reporting templates for entities offering cryptoasset services, aligned with the Markets in Crypto-Assets Regulation (MiCA). The rule standardizes report formats and frequency, introduces new accounting and client asset protection requirements, and strengthens investor warning obligations. The circular takes effect on 14 May 2025. ([more detail](#))

CNMV · Five key guidelines to enhance crypto-assets regulation(05/13) · [Cryptoassets](#)

The National Securities Market Commission (CNMV) has adopted five guidelines for the development of the Markets in Crypto-Assets Regulation (MiCA). These guidelines aim to enhance the regulatory framework for crypto-assets by establishing suitability requirements for investors, procedures for asset transfer services, classification criteria for crypto-assets, transparency and investor protection measures, and qualifications for personnel. The CNMV's initiative is part of broader efforts to adapt to the evolving financial landscape and support the growth of the crypto-asset market in Spain. ([more detail](#))

UK**DSIT · Legislative measures to enhance cybersecurity and resilience**(04/01) · [Technology](#)

The Department of Science, Innovation and Technology (DSIT) has published the Cybersecurity and Resilience Policy Statement which sets out the policy measures to be included in the forthcoming UK Cybersecurity and Resilience Bill. In it, it proposes legislative measures to strengthen the cybersecurity and resilience of critical national infrastructure and essential public services. The draft includes incorporating managed service providers and data centers into the regulatory framework, improvements to supply chain security, and strengthening regulators' powers for information gathering and cost recovery. The white paper details the specific policies and strategies that will be implemented to achieve these objectives. Next steps include the submission of the draft Bill to Parliament by the end of 2025 and of this policy statement on the same day of its publication. ([more detail](#))

BoE · Public consultation on proposed amendments to PRA Rulebook and FCA Guidance(04/03) · [Compliance](#)

The Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) have published consultation paper (CP) 25/6, proposing amendments to the PRA Rulebook and FCA Guidance concerning the de minimis threshold for the loan-to-income flow limit in mortgage lending. The de minimis threshold sets the level below which firms are exempt from applying limits on the proportion of mortgage loans with high loan-to-income ratios, allowing smaller lenders with minimal activity to be excluded. The aim is to ensure that these restrictions are applied more effectively and proportionately. Stakeholders can submit feedback by 8 May 2025. ([more detail](#))

BoE · Consultation on the reform of the regulatory framework for Alternative Investment Fund Managers(04/07) · [Asset management](#)

His Majesty's Treasury (HM Treasury) has launched a public consultation on proposed amendments to the regulatory framework for Alternative Investment Fund Managers (AIFMs), aiming to simplify and better tailor the regime to the UK market. The proposal introduces a tiered approach based on the net asset value of funds under management, distinguishing between large firms (over £5 billion), medium-sized firms (£100 million to £5 billion), and small firms (up to £100 million), each subject to different regulatory expectations. It also suggests removing detailed firm-facing requirements from legislation and shifting them to the Financial Conduct Authority (FCA) rulebook to enable a more streamlined regime. Stakeholders are invited to submit their feedback by June 9, 2025. ([more detail](#))

FCA · Annual work programme for the 2025-2026 period(04/08) · [Work plan](#)

The Financial Conduct Authority (FCA) has published its annual work programme for the 2025/2026 period, outlining key priorities aimed at enhancing consumer protection, promoting competition, and strengthening market integrity. The FCA plans to continue its focus on reducing and preventing financial crime by implementing innovative detection and prevention strategies. Additionally, the FCA aims to support the competitiveness and growth of United Kingdom (UK) wholesale markets by improving their attractiveness and reach. Emphasis will also be placed on becoming a data-led regulator, with investments in automating analytics tools to detect and respond to consumer harms more swiftly. The FCA will further develop its approach to artificial intelligence (AI) in financial services, ensuring safe deployment in collaboration with firms. ([more detail](#))

BoE · Review of access to Real-Time Gross Settlement accounts for settlement(04/08) · [Payments](#)

The Bank of England (BoE) has published a series of documents in response to its consultation on reviewing access to Real-Time Gross Settlement (RTGS) accounts for settlement purposes, with the aim of promoting greater competition and innovation in the UK payments system. The publication includes: i) new RTGS system rules that outline eligibility criteria and conditions for using accounts for settlement and related services, ii) a revised RTGS access policy that consolidates and updates previous policies for both settlement and omnibus accounts, and iii) an updated guide for Non-Bank Payment Service Providers (NBPSPs) seeking access to UK payment systems. ([more detail](#))

PRA · Proposal to accelerate the investment approval process for insurers

(04/08) · Solvency

The Prudential Regulation Authority (PRA) has published a consultation paper on the Matching Adjustment Investment Accelerator (MAIA), aimed at enabling faster and more efficient capital investments by UK insurers. The framework would allow insurers to obtain immediate recognition of the benefit of the Matching Adjustment (MA) prior to full authorisation, thereby reducing barriers to timely investment. The proposal builds on the reforms to the MA regime set out in policy statement (PS) 10/24, as part of the Solvency II review. Stakeholders are invited to submit their comments on the proposal by 4 June 2025. [\(more detail\)](#)

PRA · Strategic plan and supervisory priorities for the 2025–2026 financial year**(04/10) · Supervisory expectations**

The Prudential Regulation Authority (PRA) has released its 2025/26 business plan, outlining its strategic priorities for the upcoming year. These include strengthening financial stability, enhancing supervision of banks and insurers, and promoting competitiveness and growth in the UK's financial sector. The plan also addresses the implementation of new regulations, improvement of operational resilience, and adaptation to emerging risks. Additionally, it emphasizes the intent to maintain proportionate regulation that supports innovation and financial inclusion. [\(more detail\)](#)

BoE · Feasibility assessment of offline payments in a future digital currency**(04/10) · Central bank digital currencies**

The Bank of England (BoE) has released a report on a technical experiment exploring whether a future digital pound, a central bank digital currency (CBDC), could support offline payments. Tests confirmed technical feasibility, but significant challenges remain, including security, user experience, and double-spending prevention. No final decision has been made, and further work is needed on technical, legal, and operational aspects before moving forward. [\(more detail\)](#)

BoE · Design of the scheme rulebook and intermediary roles for a potential digital currency**(04/10) · Central bank digital currencies**

The Bank of England (BoE) has released a design note outlining the roles of intermediaries and the contents of the scheme rulebook for a potential digital pound. This rulebook will establish the terms and standards for the use and operation of the digital pound, defining the roles and responsibilities of participants, including Payment Interface Providers (PIPs) and External Service Interface Providers (ESIPs), as well as the BoE as the digital currency operator. It will also cover governance and operational aspects of the system, aiming to ensure clarity and accountability among participants. [\(more detail\)](#)

FCA · Consultation paper on data decommissioning, removing reporting and notification requirements**(04/16) · Reporting and disclosure · Conduct**

The Financial Conduct Authority (FCA) has published Consultation Paper CP25/8 on data decommissioning, which proposes the removal of certain reporting and notification requirements to reduce the regulatory burden on firms. The initiative is part of the FCA's broader Transforming Data Collection (TDC) programme and aligns with its strategy to streamline oversight and eliminate outdated or redundant data submissions. The proposals include discontinuing three specific returns: i) the client money and assets return (FSA039), which required firms to report whether they held money or assets on behalf of clients and whether they engaged in securities lending activities, but did not require detailed or operational information and is therefore considered to be of low value for supervisory purposes; ii) section F of the retail mediation activities return (RMAR); and iii) Form G for complaints about individual advisers. The FCA expects these changes to benefit around 16,000 firms, saving time and resources while maintaining effective supervision. The consultation runs until 14 May 2025, and a final policy statement is expected later this year. [\(more detail\)](#)

FCA · Consultation paper on proposals about product information under the consumer composite investments regime**(04/16) · Conduct**

The Financial Conduct Authority (FCA) has published a consultation paper (CP) 25/9, which sets out additional proposals to support the new consumer composite investment regime. These proposals include a review of the approach to calculating transaction costs, modifications to the current cost disclosure requirements under the Markets in Financial Instruments Organization Regulation (MiFID Org Reg), transitional provisions allowing firms to adapt to the new regime when they are ready and consequential amendments to the FCA handbook. The aim is to establish a flexible regime that prioritizes good outcomes for consumers, enabling them to make informed and timely decisions and making it easier for firms to tailor their communications to consumers' needs. The CP is open until May 28, 2025, and the FCA is expected to publish a policy statement (PS) with final rules by the end of 2025. [\(more detail\)](#)

BoE · Policy Statement on management of step-in risk and oversight of shadow banking entities**(04/22) · Risks**

The Bank of England (BoE) has published a policy statement (PS) on the identification and management of step-in risk, shadow banking entities, and groups of connected clients. This statement mandates that entities regulated by the Prudential Regulation Authority (PRA) regularly assess step-in risks, which refers to the likelihood of a

financial institution providing support to an unconsolidated entity in stress situations, even without contractual obligations. Additionally, policies regarding exposures to shadow banking entities and groups of connected clients are strengthened to enhance financial stability and transparency. The new rules will take effect on January 1, 2026. ([more detail](#))

PRA • Supervisory Statement: Step-in Risk

(04/22) • Risks

The Prudential Regulation Authority (PRA) has published a supervisory statement (SS) on step-in risk. This document outlines the PRA's expectations regarding how firms should identify and manage this type of risk, which involves the potential for a financial institution to provide support to an unconsolidated entity in stress situations, even without contractual obligations. The statement details key indicators, potential responses, required internal policies, and guidance for completing the necessary reporting templates. The new rules will take effect on January 1, 2026. ([more detail](#))

PRA • Incorporation of MiFID organisational requirements into the domestic regulatory framework

(04/23) • Compliance • Conduct

The Prudential Regulation Authority (PRA) has published a consultation paper (CP) 9/25, proposing to incorporate into the PRA Rulebook the organizational requirements currently set out in commission delegated Regulation of the European Union (EU) 2017/565, which supplements the Markets in Financial Instruments Directive (MiFID). The proposal aims to ensure regulatory continuity after the United Kingdom's (UK) departure from the EU, without introducing significant changes to the existing obligations for PRA-authorized firms, such as banks, building societies, and designated investment firms. The consultation is open until 23 June 2025. ([more detail](#))

FCA • Review of the capital definition applicable to investment firms

(04/24) • Capital

The Financial Conduct Authority (FCA) has published a consultation paper (CP) 25/10, proposing a significant revision of the definition of capital for FCA-regulated investment firms. The main objective is to simplify the rules derived from the Markets in Financial Instruments Directive (MiFID), originally designed for banks, and tailor them to the specific needs of investment firms, thereby reducing regulatory complexity and administrative burden. While substantial simplification is sought, the core requirements regarding the amount of capital firms must hold will remain unchanged. The FCA invites stakeholders to submit their comments on the proposal by 12 June 2025, aiming to issue a policy statement with the final rules by the end of 2025. ([more detail](#))

FCA • Consultation on defining capital for investment firms

(04/24) • Capital

The Financial Conduct Authority (FCA) has published a consultation paper (CP) 25/10, proposing a comprehensive framework for defining capital for investment firms under its supervision. This consultation aims to establish clear criteria for what constitutes own funds, ensuring that firms maintain adequate capital to cover risks and support their operations effectively. The proposed rules are designed to align with international standards and enhance the resilience of investment firms operating in the United Kingdom (UK). The FCA invites stakeholders to provide feedback on these proposals by 12 June 2025. ([more detail](#))

FCA • Final guidance for insolvency practitioners on approaching regulated firms

(04/28) • Recovery and resolution

The Financial Conduct Authority (FCA) has published the finalized guidance (FG) 25/2 for insolvency practitioners on how to approach insolvencies of regulated firms. This guidance provides directives on how insolvency practitioners should ensure that regulated firms meet their ongoing regulatory obligations during the insolvency process. It covers aspects such as communication with clients and creditors and obtaining consent for out-of-court administrative appointments. The guidance took effect on April 28, 2025. ([more detail](#))

FCA • Feedback Statement on Consumer Duty

(04/28) • Conduct

The Financial Conduct Authority (FCA) has published Feedback Statement (FS) 25/3, which addresses key areas for action and future plans for reviewing regulatory requirements following the introduction of the Consumer Duty. The report emphasizes the need to simplify rules and guidance to reduce administrative burdens and improve efficiency, allowing firms to innovate and better tailor to customer circumstances, particularly those with characteristics of vulnerability. ([more detail](#))

BoE • Technical Standards for simplified obligations

(04/30) • Recovery and resolution • Compliance

The Bank of England (BoE) has published the Technical Standards about simplified obligations, which revokes European Commission (EC) Delegated Regulation 2019/348 on simplified obligations (SO UKTS). Simplified obligations are less stringent regulatory requirements applicable to certain banking entities, designed to reduce administrative burdens and facilitate compliance. This instrument sets out the conditions under which simplified obligations will apply and the procedures for bank resolution. The consultation on the revocation took place between December 2024 and January 2025, with no formal responses received. ([more detail](#))

PRA · Enhancing approaches to managing climate-related risks in banks and insurers

(04/30) · Risks

The Prudential Regulation Authority (PRA) has published a consultation paper on enhancing banks' and insurers' approaches to managing climate-related risks. This paper updates Supervisory Statement (SS) 3/19 and proposes new expectations for integrating climate risks into financial and operational management. Climate risks are categorized into two main types: physical risks and transition risks. The consultation will be open until July 30, 2025. ([more detail](#))

FCA · Regulatory update on the derivatives trading obligation

(05/02) · Markets

The Financial Conduct Authority (FCA) has issued handbook notice n° 129, outlining amendments made to the handbook of the FCA on 27 March 2025. Key changes include updates to technical standards concerning the derivatives trading obligation, particularly for secured overnight financing rate overnight index swaps (SOFR OIS), and the establishment of a new framework allowing exemptions from this obligation for transactions utilizing post-trade risk reduction services. These changes will come into effect on 30 June 2025. ([more detail](#))

FCA · Discussion paper for the regulation of cryptoasset activities

(05/06) · Cryptoassets · Conduct

The Financial Conduct Authority (FCA) has released discussion paper (DP) 25/1 about regulating cryptoasset activities, proposing a comprehensive regulatory framework for trading platforms, intermediaries, cryptoasset lending and borrowing, staking, and decentralized finance (DeFi). The FCA seeks feedback on applying conduct standards, consumer protection, and prudential requirements to these activities, aligning with legislative proposals from His Majesty's Treasury (HM Treasury). The paper also addresses the use of credit to purchase cryptoassets and considers applying Consumer Duty to these services. The public consultation is open until 13 June 2025. ([more detail](#))

FCA · Consultation paper of improving consumer access to mortgages

(05/07) · Compliance and conduct · Credit

The Financial Conduct Authority (FCA) has published a consultation paper (CP) 25/11, which seeks to address issues related to consumer access to mortgages. The paper proposes measures to improve transparency and fairness in the mortgage market, ensuring that consumers have better access to mortgage products and clearer information to make informed decisions. Key proposals include enhancing the disclosure of fees and charges, improving the assessment of affordability, and promoting competition among mortgage providers. The consultation is open until June 4, 2025. ([more detail](#))

BoE · Proposal to withdraw Supervisory Statement on building societies' treasury and lending activities

(05/08) · Compliance · Credit

The Bank of England (BoE) has released Consultation Paper (CP) 11/25, proposing the withdrawal of Supervisory Statement (SS) 20/15, titled supervising building societies' treasury and lending activities. Issued in 2015, SS20/15 provided specific guidance for building societies regarding their treasury and lending operations. The proposed withdrawal reflects the evolution of the regulatory framework and the incorporation of this guidance into more recent regulations. The BoE invites stakeholders to submit their feedback on this proposal by August 8, 2025. ([more detail](#))

FCA · Policy statement about flexible payment options for investment research by fund managers

(05/09) · Capital markets · Conduct

The Financial Conduct Authority (FCA) has issued a policy statement outlining new rules that provide fund managers with greater flexibility in how they pay for investment research. This update allows fund managers to choose between paying for research directly from their own resources or using a research payment account (RPA) funded by clients. The aim is to enhance transparency and efficiency in the investment research market. ([more detail](#))

BoE · Proposed regulation of buy now, pay later products

(05/19) · Credit

His Majesty's Treasury (HM Treasury) published a consultation on the regulation of buy now, pay later (BNPL) products. The consultation was open until November 29, 2024, and the United Kingdom (UK) Government has published its response to the consultation, summarizing the comments received and setting out its final position on the proposals. Respondents expressed a strong desire for action in this area and were generally supportive of the proposed regulatory regime. This initiative seeks to bring regulated deferred credit arrangements (DPC) offered by external lenders under the supervision of the Financial Conduct Authority (FCA). The aim is to provide consumers with clear information, avoid unaffordable lending and ensure robust rights in the event of problems. ([more detail](#))

BoE · Proposed reform of the consumer credit Act 1974

(05/19) · Credit · Compliance

His Majesty's Treasury (HM Treasury) has launched the first phase of a public consultation to reform the consumer credit Act 1974 (CCA). This phase focuses on reviewing information requirements, sanctions, and criminal offences, aiming to modernize the consumer credit regime. The reform seeks to ensure that consumers receive clear and timely information to make informed financial decisions, while maintaining robust protection and encouraging innovation in the sector. The consultation is open until July 21, 2025, with a second phase containing more detailed proposals expected in the future. ([more detail](#))

PRA · Monitoring and reporting update for international bank branches

(05/19) · Risks and capital

The Prudential Regulation Authority (PRA) has published Policy Statement (PS) 6/25. This document strengthens expectations on branch risk appetite, especially in relation to retail deposit-taking, clarifies transaction allocation (booking) models to ensure transparency and effective supervision, and introduces new liquidity reporting requirements to improve the assessment of risk profile at group level. The policy aims to strengthen financial stability and came into effect on May 20, 2025. ([more detail](#))

PRA · Capital requirements update for SME and infrastructure lending

(05/22) · Risks and capital

The Prudential Regulation Authority (PRA) has published Policy Statement (PS) 7/25, which updates the guidance on adjustments to capital requirements for lending to small and medium-sized enterprises (SMEs) and infrastructure. This update responds to the implementation of the Basel 3.1 standards, which aim to strengthen financial stability without compromising access to credit for key sectors of the economy. The PRA has introduced structural adjustments to Pillar 2A to mitigate the impact of the elimination of the SME support factor in Pillar 1, ensuring that capital requirements for these loans do not increase. Similarly, adjustments have been implemented for infrastructure lending to maintain current capital levels. These measures seek to balance financial soundness with support for economic growth. The implementation of these new provisions will begin on January 1, 2026, with a transition period extending through December 31, 2029. ([more detail](#))

PRA · Initial review of the pillar 2A capital requirements framework

(05/22) · Risks and capital

The Prudential Regulation Authority (PRA) published Consultation Paper (CP) 12/25, initiating phase 1 of the review of the Pillar 2A capital framework. This review aims to enhance the consistency and transparency of the capital framework by incorporating lessons learned from the implementation of Basel 3.1 standards and experiences from the Supervisory Review and Evaluation Process (SREP). The consultation addresses key aspects such as the calibration of capital requirements, interaction with Pillar 1, and assessment of emerging risks. The PRA seeks feedback from supervised firms and other stakeholders to inform the development of phase 2 of the review. The deadline for submitting responses to this consultation is September 5, 2025. ([more detail](#))

FCA · Consultation on the regulatory framework for stablecoin issuance and cryptoasset custody

(05/28) · Cryptoassets

The Financial Conduct Authority (FCA) released Consultation Paper (CP) 25/14, proposing a regulatory framework for the issuance of fiat-backed stablecoins and the custody of cryptoassets. The proposals require issuers to maintain reserves of liquid, low-risk assets equivalent to the value of the issued stablecoins, ensuring redemption at face value upon request. Custodians would be obligated to segregate client assets and implement appropriate internal controls. Comments are allowed until July 31, 2025. ([more detail](#))

HMT · Independent Review of the Loan Charge

(02/06) · Credit · Conduct

His Majesty's Treasury (HMT) has published the Independent Review of the Loan Charge, a measure introduced in 2019 to address disguised remuneration schemes involving loans, which are considered a form of tax avoidance. The review examines the legality, proportionality, and retrospective nature of the charge, as well as its impact on affected taxpayers. The report recommends substantial changes, including restricting the scope to schemes used after 2010 and improving support for vulnerable individuals. The Government has partially accepted these recommendations, and legislative amendments are expected in the coming months. ([more detail](#))

FCA · Proposals to modernize the Capacity Market and promote consumer-led flexibility

(06/10) · Risks and capital · Capital markets

The Financial Conduct Authority (FCA) has published policy statement (PS) 25/6, which sets out the regulatory framework for the Private Intermittent Securities and Capital Exchange System (PISCES) within a sandbox environment. PISCES allows the sale and purchase of shares in private companies through intermittent trading events, with proportionate disclosure, participation, and market oversight rules tailored to a "private-plus" market that is more flexible than the public market. The regulation covers requirements for platform operators, intermediaries, rules of conduct, and amendments for adaption to the new system. Risk warnings, limits on investment incentives, and processes for categorizing qualified retail investors are also introduced. Among the

next steps, operators can now apply for approval (PAN), and a consultation on annual fees is planned for November 2025. [\(more detail\)](#)

BoE · Consultation on amendments to the EMIR Trade Repository reporting requirements

(06/10) · Compliance

The Bank of England (BoE), in collaboration with the Financial Conduct Authority (FCA), has published a consultation paper on proposed amendments to the reporting requirements for trade repositories under the UK European Market Infrastructure Regulation (UK EMIR). These amendments seek to optimize the derivatives reporting regime, following the implementation of UK EMIR Refit in March 2025 and in response to industry feedback. The proposals include minor technical adjustments to current regulatory standards, such as updating validation rules and XML schemas for incoming and outgoing messages from trade repositories. The consultation will be open until June 30, 2025, and the amendments are expected to enter into force on December 1, 2025. [\(more detail\)](#)

BoE · Discussion paper feedback statement on transitioning to a repo-led operating framework

(06/10) · Compliance and conduct · Capital markets

The Bank of England (BoE) has published a feedback statement on its transition to an operations-led operational framework, focused on recalibrating the Indexed Long-Term Repo (ILTR) facility. After receiving 61 responses from banks and other entities, the BoE will implement adjustments such as increasing the amount available for auction from £25 billion to £35 billion, raising the maximum stock to £840 billion, and a more gradual price curve to improve predictability. Firms are encouraged to use ILTR routinely in their liquidity management, not just as a backstop in times of stress. The BoE will continue to monitor the performance of the new framework and maintain an active dialogue with market participants. [\(more detail\)](#)

FCA · Report on retirement income advice: good practice and areas for improvement

(06/10) · Compliance and conduct · Asset management

The United Kingdom's Financial Conduct Authority (FCA) has published a report on retirement income advice, identifying good practices and areas for improvement across 28 firms reviewed. The analysis focuses on three key aspects: client information gathering and record-keeping, risk profiling, and managing the sustainability of income withdrawals. While most firms showed a good understanding of clients' circumstances and goals, shortcomings were noted in updating risk profiles and documenting advice, particularly during the transition from accumulation to decumulation. The FCA encourages firms to review their processes using tools such as the Retirement Income Advice Assessment Tool (RIAAT) and will continue supervising this area to ensure better consumer outcomes. [\(more detail\)](#)

UK Gov · Cryptoasset reporting framework

(06/25) · Payments and digital currency

Her Majesty's Revenue and Customs (HMRC) published the implementation of the Crypto Asset Reporting Framework (CARF), developed by the Organization for Economic Cooperation and Development (OECD). This framework establishes obligations for crypto asset service providers in the United Kingdom, who will be required to collect and report information on crypto asset transactions and users to HMRC. The data collected will include details on transactions and user identification and will be automatically shared with other jurisdictions participating in the CARF. The measure aims to improve tax transparency and combat tax evasion and avoidance related to crypto assets. The data collection obligations will begin on January 1, 2026. Failure to comply with these obligations may result in financial penalties. [\(more detail\)](#)

UK Gov · Public consultation on developing an oversight regime for the assurance of sustainability-related financial disclosures

(06/25) · Sustainability

The UK Department for Business and Trade has published a public consultation on the development of a supervisory regime for the verification of sustainability-related financial information. The purpose of this consultation is to gather views on the creation of a registration and supervisory regime for verification service providers, as part of a future role to be taken on by the Audit, Reporting and Governance Authority (ARGA). The consultation will be open until September 17, 2025. [\(more detail\)](#)

UK Gov · Public consultation on climate-related transition plan requirements

(06/25) · Sustainability

The Department for Energy Security and Net Zero has published a public consultation on climate-related transition plan requirements. The purpose of this publication is to gather views on how to implement the requirement for regulated financial institutions and large companies to develop and implement transition plans aligned with the 1.5°C objective of the Paris Agreement, as well as to assess different policy options, their scope, and their interaction with the rest of the regulatory framework on sustainability. The consultation will be open until September 17, 2025, which is the deadline for submitting comments. In October 2025, the government will publish an updated plan setting out the policy package until the end of the sixth carbon budget, covering the period to 2037. In addition, the seventh carbon budget will be set by June 2026, in line with the UK's climate legislation. [\(more detail\)](#)

UK Gov · Exposure draft of the UK Sustainability Reporting Standards

(06/25) · Sustainability

The UK Government has published an open consultation on draft UK Sustainability Disclosure Standards. The purpose of this consultation is to gather stakeholder views on the proposal to adopt the International Sustainability Standards Board (ISSB) global baseline as the basis for UK-supported sustainability reporting, with specific modifications where necessary to reflect the UK regulatory environment and public interest. The deadline for submitting comments is September 17, 2025. ([more detail](#))

Other publications of interest

American Region

US

FRB · Proposed adjustments to the stress testing framework and capital requirements

(04/17) · Capital, liquidity and leverage

The Federal Reserve Board (FRB) has released a proposal to reduce the volatility of capital requirements derived from the results of its annual stress tests. The proposal includes averaging stress test results over a period of two consecutive years and delaying the effective date of the stress capital buffer requirement from October 1 2025 to January 1 of next year. In addition, specific changes are proposed to simplify data collection related to the stress tests. These changes are not designed to materially affect overall capital requirements. The FRB also plans to propose additional changes later in the year to improve the transparency of the stress tests. Comments on the current proposal are due by June 16, 2025. ([more detail](#))

FRB · Withdrawal of guidance on bank involvement with cryptoassets and dollar tokens

(04/24) · Cryptoassets · Supervisory expectations

The Federal Reserve Board (FRB) has announced the withdrawal of its guidance for banks concerning their crypto-asset and dollar token activities. This decision reflects the FRB's updated expectations for these activities, indicating a shift in regulatory approach. The FRB emphasizes the importance of ensuring that banks' engagement with crypto-assets and dollar tokens aligns with sound risk management practices and complies with existing legal and regulatory frameworks. This move underscores the commitment to adapting supervisory policies in response to the evolving financial landscape. ([more detail](#))

OCC · Restore of the fast-track review process for bank mergers to boost competition

(05/08) · Markets

The Office of the Comptroller of the Currency (OCC) has issued an interim final rule amending its 2024 regulations for business combinations involving national banks and federal savings associations. This rule restores the streamlined application and fast-track review process for evaluating applications under the Bank Merger Act, which had been rescinded in 2024. The aim is to reduce the burden and uncertainty for banks, promoting competition and economic growth. ([more detail](#))

FASB · Clarifications on the guidance for identifying the accounting acquirer in business combinations

(05/12) · Reporting y disclosure

The Financial Accounting Standards Board (FASB) has issued an Accounting Standards Update (ASU) to clarify guidance for identifying the accounting acquirer in a business combination. The accounting acquirer is the entity that obtains control over the business or businesses acquired. This update aims to improve the requirements for determining the accounting acquirer, especially in transactions involving equity interests where the legal acquiree is a variable interest entity. The ASU will help ensure more comparable and decision-useful financial reporting for investors. ([more detail](#))

FASB · Accounting update on share-based consideration payable to a customer

(05/15) · Reporting and disclosure

The Financial Accounting Standards Board (FASB) has issued an update clarifying the accounting treatment for share-based consideration payable to a customer, aiming to reduce practice diversity and improve financial reporting. The amendments revise the definition of performance conditions, remove certain forfeiture accounting options, and clarify the scope of variable consideration guidance. ([more detail](#))

SEC · Consultation document on concept Release on foreign private issuer eligibility

(04/06) · Accounting

The Securities and Exchange Commission (SEC) has issued a concept release aimed at reviewing and modernizing the financial disclosure requirements for public companies set out in Regulation S-K. The release explores potential reforms to enhance the usefulness of information for investors, reduce unnecessary regulatory burdens, and promote the digital submission of structured data. The SEC is seeking feedback on topics such as materiality, reporting frequency, and the use of emerging technologies like artificial intelligence (AI) in report preparation. The consultation period is open until 2 September 2025. ([more detail](#))

FDIC · Consultation on address payments and check fraud

(06/16) · Compliance and conduct

The Federal Deposit Insurance Corporation (FDIC), along with other federal bank regulatory agencies, has issued a request for comment on proposals aimed at addressing risks related to payments and check fraud. The document outlines emerging practices and technological changes impacting the security and efficiency of

payment systems, including the rising threat of check fraud. Comments are open until August 16, 2025. ([more detail](#))

FRB · Announcement on reputational risk no longer being a component of examination programs in its supervision of banks

(06/23) · Other risks

The Federal Reserve Board (FRB) announced that reputational risk will no longer be a formal component of its bank supervision programs. This change involves removing references to reputational risk from supervisory materials, including examination manuals, and replacing them, where appropriate, with more specific discussions of financial risks. The aim is to focus supervision on tangible and measurable financial risks, such as credit, market, and operational risks. The FRB will train its examiners to ensure consistent implementation of this change and will work with other federal bank regulatory agencies to promote consistent practices. This adjustment does not alter the Board's expectation that banks maintain strong risk management to ensure safety, soundness, and compliance with laws and regulations, nor does it affect how institutions internally manage reputational risk. ([more detail](#))

SEC · Daily Computation of Customer and Broker-Dealer Reserve Requirements under the Broker-Dealer Customer Protection Rule

(06/26) · Risks and capital · Governance

The Securities and Exchange Commission (SEC) has issued Final Rule No. 34-103320, extending until June 30, 2026, the deadline for certain financial intermediaries to begin making daily calculations of the reserves required under the Customer Protection Rule (Rule 15c3-3) of the Securities Exchange Act. This six-month extension, from the previous deadline of December 31, 2025, responds to concerns raised by the industry about the need for additional time to adapt internal systems and processes. The measure affects intermediaries that hold customer cash and securities and exceed an average total credit threshold of \$500 million, who will be required to make daily calculations and deposits for both customer accounts and other firm accounts (PABs). The purpose of this amendment is to mitigate the risks associated with large cash flows between weekly calculations, thereby strengthening the protection of customer assets. The SEC will continue to work with affected entities to facilitate effective implementation of these requirements. ([more detail](#))

Argentina

BCRA · Update of the authorization and capital composition of financial entities

(05/15) · Capital

The Central Bank of the Argentine Republic (BCRA) issued communication A-8242, updating the ordered text regarding the authorization and capital composition of financial entities. This regulation sets forth the requirements and procedures that entities must comply with to obtain authorization to operate, as well as conditions related to their capital structure, including aspects such as the required minimum capital and its composition. The communication became effective on May 16, 2025. ([more detail](#))

BCRA · Modification of the monthly accounting information regime

(05/15) · Reporting and disclosure

The Central Bank of the Argentine Republic (BCRA) has issued communication A-8241 which implements changes to the monthly accounting information regime for financial institutions. This regulation updates the procedures for submitting information to the BCRA, aiming to enhance the quality and accuracy of data reported by financial entities. The changes will take effect starting with the information for May 2025. ([more detail](#))

Brazil

BCB · Amendment of accounting requirements for consortium resources

(04/08) · Accounting

The Central Bank of Brazil (BCB) has issued regulatory instruction nº 608, which amends regulatory instruction nº 282/2022. This amendment introduces adjustments to the accounting documents related to consortium resources, specifically in the demonstration of consortium resources and in the demonstration of variations in the availability of groups of the accounting standard for institutions regulated by the BCB (Cosif). The changes affect the classification and presentation of certain values in the financial statements of the consortium managers. These amendments are applicable to accounting documents prepared as of the March 2025 base date. ([more detail](#))

BCB · Amendment of accounting requirements for rural credit

(04/09) · Accounting · Credit

The Central Bank of Brazil (BCB) has issued resolution nº 462, which amends annex I of document 6 of the Rural Credit Manual (RCM). This amendment adjusts the instructions and concepts related to the demonstration of the

rural credit claims and applications, affecting the way in which financial institutions report and classify rural credit operations in their financial statements. The changes seek to improve transparency and consistency in the presentation of this data. ([more detail](#))

BCB · Public consultation on draft resolutions of the National Monetary Council and resolutions of the Central Bank of Brazil

(04/09) · Accounting · Sustainability

The Board of Directors of the Central Bank of Brazil (BCB) has submitted for public consultation the proposed resolutions of the National Monetary Council and BCB resolutions governing the accounting criteria for measurement, recognition, cancellation and disclosure of sustainability assets and liabilities to be observed by financial institutions and other institutions authorized to operate by the BCB. This measure aims to increase the transparency, clarity and comparability of this information in the financial statements prepared by financial institutions and other authorized institutions. Interested parties may submit suggestions until May 31, 2025. ([more detail](#))

BCB · Re Consultation on accounting criteria for virtual assets and utility tokens in regulated entities

(06/26) · Cryptoassets

The Central Bank of Brazil (BCB) has issued Public Consultation Notice No. 122/2025, inviting comments on two draft resolutions by the National Monetary Council (CMN) and the BCB itself. These drafts establish accounting criteria for the recognition, measurement, derecognition, and disclosure of virtual assets and utility tokens by financial institutions and other entities authorized by the BCB. The proposed rules aim to enhance transparency, comparability, and understanding of financial reporting related to virtual assets, aligned with both national and international standards. Institutions must revalue these assets at fair value monthly, with exceptions for non-fungible tokens and intra-group issued assets. Comments may be submitted until August 24, 2025. ([more detail](#))

BCB · Resolution amending Resolution No. 265 on prudential requirements for Type 3 institutions in Segments S2, S3, and S4

(06/26) · Risks and capital

The Central Bank of Brazil (BCB) has published Resolution N. 484, amending Resolution No. 265 of 2022, which relates to the risk management framework, capital management, and information disclosure policy for institutions classified as Type 3 within Segments 2 (S2), 3 (S3), or 4 (S4) of the national financial system. The main update requires institutions to submit the results of stress testing—whether ad hoc or periodic—to the BCB, in the format defined by the regulator. This measure aims to strengthen prudential supervision and promote transparency in risk management. The resolution will enter into force on December 1, 2025. ([more detail](#))

CMN · Resolution amending Resolution No. 4,557, which establishes the risk management structure, capital management structure, and information disclosure policy

(06/26) · Risks and capital · Sustainability

The National Monetary Council (CMN) has issued Resolution No. 5,226, amending Resolution No. 4,557 of 2017, concerning the risk and capital management framework of financial institutions. The key update introduces specific requirements for managing risks related to environmental, social, and governance (ESG) factors. Institutions are now required to integrate these factors into their risk and capital management policies, as well as their decision-making processes. The resolution will come into effect on December 1, 2025. ([more detail](#))

Chile

CMF · Public consultation on the regulations on security and authentication standards for bank and non-bank issuers

(04/14) · Payments

The Financial Market Commission (CMF) has published a public consultation on the regulations on security and authentication standards for bank and non-bank issuers. The proposed regulation sets out minimum requirements for the security, registration, and authentication of electronic payment transactions, applying to banks, payment card issuers, credit unions, and other financial service providers under CMF supervision. It mandates the use of Strong Customer Authentication (ARC) in high-risk scenarios such as accessing online banking, modifying personal data, or initiating payments, while providing limited exceptions for low-value or recurring transactions. The regulation draws on international best practices, particularly the European Union's (EU) revised Payment Services Directive (PSD2) directive, and introduces technical criteria for multi-factor authentication, data protection, and fraud prevention. Institutions will have one year to comply with the new standards once adopted, and must submit a compliance plan within 90 days of the regulation's entry into force. The consultation remains open until May 5, 2025. ([more detail](#))

CMF · Public consultation on operational functioning of the Consolidated Debt Registry

(04/15) · Credit risk · Reporting and disclosure

The Financial Market Commission (CMF) has published a public consultation on the proposed regulation for the operational functioning of the Consolidated Debt Registry (REDEC). In line with Law No. 21.680, REDEC aims to centralise and consolidate debt information from individuals, including amounts, credit types, terms, and payment status. The CMF will manage the registry, but reporting entities are responsible for submitting accurate and timely data. The proposal outlines procedures for data submission, debtor consent management, access rights, and minimum standards for data security and quality. It also defines the database structure, sanctions for non-compliance, and mechanisms for debtors to exercise their rights to access, rectify, complete, or delete their information. By integrating more data sources and expanding debtor rights, REDEC will improve the quality of the CMF's current debt reports and enhance financial transparency, contributing to better risk assessment, credit market development, and overall financial system integrity. ([more detail](#))

CMF · Public consultation on regulatory proposal for financial market development

(04/25) · Capital markets

The Financial Market Commission (CMF) has issued a public consultation to remove obstacles in the development of the repo, securitization, and credit insurance or derivatives markets. The proposal includes specific adjustments to current regulations to facilitate the operation and growth of these markets, such as simplifying requirements and improving transparency. The public consultation on this regulation will be open until June 6, 2025. ([more detail](#))

CMF · Public consultation on proposed regulation for banking service channels

(05/02) · Compliance

The Financial Market Commission (CMF) has opened a public consultation on a proposed regulation to update the rules regarding banking service channels. This proposal aims to align current regulations with changes introduced by the Fintec Law to articles 37 and 38 of the general banking Law. The regulation addresses mandatory aspects such as minimum office hours, mechanisms for public service, and conditions for customer service. The consultation is open until May 27, 2025. ([more detail](#))

CMF · Public consultation on updating the regulatory file on fraud-related claims in payment systems

(05/06) · Financial crime

The Financial Market Commission (CMF) has launched a second public consultation on the proposed update of regulatory file E24, aligned with Law nº 20.009. This file is a set of instructions and requirements established by the CMF related to the sending of periodic information on the use of payment cards and electronic transactions in cases of loss, theft, robbery or fraud. The purpose of the consultation is to enhance tracking of complaints and fraud notices in payment systems. The draft includes modifications based on prior feedback, adding new data fields, codes, and clarifications on deadlines, procedural stages, and court processes. The consultation aims to confirm whether the new fields adequately capture the range of scenarios covered by the law. The consultation is open until May 19, 2025. ([more detail](#))

CMF · Public consultation on new rule on minimum net worth requirements for securities intermediaries and commodity broker-dealers

(05/23) · Risks and capital

The Comision for the Financial Market (CMF) has announced a new public consultation on new rule on minimum net worth requirements for securities intermediaries and commodity broker-dealers. The objective of the consultation is to establish a more robust regulatory framework, based on risk-weighted assets, which will allow for more effective management of financial and operational risks, thus promoting market stability. ([more detail](#))

CMF · Draft regulatory proposal on maximum fees applicable to pension funds

(06/10) · Compliance and conduct · Asset management

The Financial Market Commission (CMF) has published a regulatory proposal with the aim of establishing the maximum commission limits that may be applied to Pension Funds during the period from 1 July 2025 to 30 June 2026, differentiating by asset type, geographical area and investment style. In addition, the regulations include key definitions, calculation procedures, rules for the classification of funds and conditions for the refund of excess commissions paid. Administrators must send the Superintendency of Pensions (SP) a report on total expense ratio (TER) and the classification of foreign instruments no later than the following dates: 31 July, 31 October, 31 January and 30 April of each year, or the next business day if that date is a public holiday, with the total funds held in the portfolio in the previous calendar quarter. ([more detail](#))

SP · Regulation for the collection of mandatory contributions due to the incorporation of the employer's contribution

(06/06) · Compliance

The Superintendency of Pensions (SP) has published General Regulation (NCG) 336, which establishes the regulatory framework for the collection of mandatory contributions due to the incorporation of the new employer contribution, in accordance with Law No. 21,735 on Pension Reform. The regulation governs how pension fund administrators (AFPs) and the Social Security Institute (IPS) must implement the new collection procedures, including the distribution of the initial 1% contribution between the worker's individual account (0.1%) and the

Autonomous Pension Protection Fund (FAPP) (0.9%). It also provides detailed instructions on the processing, registration, and channeling of these contributions, as well as their gradual increase to a total of 7% of salary over nine years (extendable to eleven). The regulation will take effect for remuneration accrued as of August 1, 2025. ([more detail](#))

CMF · Consultation on Requirements for New Financial Service Providers under the Fintech Law
(06/17) · Asset management

The Financial Market Commission of Chile (CMF) has launched a public consultation on a draft regulation governing the authorization and operation of new Financial Service Providers (FSPs), under the Fintech Law. The proposed regulation sets out prudential requirements, governance standards, risk management, fitness of responsible individuals, and client fund safeguarding mechanisms, applicable to crowdfunding platforms, order-routing systems, and other non-bank financial intermediaries. Comments can be submitted until June 27, 2025. ([more detail](#))

Colombia

SFC · Draft external circular on instructions for managing environmental and social risks in supervised entities

(04/30) · Sustainability · Risk management

The Financial Superintendency of Colombia (SFC) has published a draft external circular on instructions for managing environmental and social risks in supervised entities, with the aim of establishing clear guidelines for entities to define a robust environmental and social policy, adopt effective mechanisms for identifying, measuring, and controlling these risks, and apply specific rules for their management in credit operations and the guarantees that back them. This regulatory proposal represents a significant step toward the full integration of environmental and social risks within the framework of the Comprehensive Risk Management System (SIAR). The deadline for submitting comments on the draft is May 20, 2025. ([more detail](#))

SFC · Public consultation to eliminate obsolete and redundant regulations

(05/12) · Compliance and conduct

The Financial Superintendency of Colombia (SFC) has launched a draft external circular called basic circular on risk, prudential matters and financial information (CBRAPIF) for public comment. This revision seeks to eliminate obsolete, unclear, redundant and technically outdated regulations, thus improving transparency and efficiency in financial regulations. The initiative is aligned with Colombia's regulatory improvement policy, adopting recommendations from the Organization for Economic Cooperation and Development (OECD) and the National Development Plan 2022-2026. The deadline for submitting comments is June 9, 2025. ([more detail](#))

SFC · Public consultation about a draft circular on issuers and securities issuance and placement programs

(05/13) · Capital markets

The Financial Superintendence of Colombia (SFC) has released for public comment a draft external circular outlining instructions on the regime for recognized issuers, recurring issuers, and Securities Issuance and Placement Programs (PEC), pursuant to Decree 1239 of 2024. This initiative aims to strengthen Colombia's capital market to facilitate access to financing and promote issuer and investor diversification. The circular proposes amendments to the legal basic circular to define the criteria for issuer classification and the requirements for registering PECs in the National Registry of Securities and Issuers (RNVE). Comments may be submitted until May 26, 2025. ([more detail](#))

SFC · Functioning of immediate payment systems

(05/15) · Payments

The Financial Superintendency of Colombia (SFC), through legal bulletin n° 18 of 2025, addresses the concept of interoperability in the Immediate Low Value Payment Systems (SPBVI), defined as infrastructures that allow the electronic transfer of funds immediately, securely and efficiently between different participating entities, generally for small amounts. The document clarifies that interoperability does not mean that all systems must use the same technology, but that they must be able to connect and operate effectively with each other. To achieve this, it is essential that the conditions for access and operation among the different participants be objective, transparent and non-discriminatory. It is also established that the entities that manage these systems must allow other players in the payment ecosystem to participate on equal terms. ([more detail](#))

SFC · Establishment of the system for conducting risk management in supervised entities

(05/20) · Conduct

The Financial Superintendence of Colombia (SFC) has published for Public Consultation a draft external Circular establishing instructions for managing conduct risk within the framework of the Comprehensive Risk Management System (SIAR). The main objective is the creation of the Conduct Risk Management System (SARCO), aimed at promoting ethical and responsible behavior by supervised entities, particularly in their dealings with financial consumers. The Circular outlines internal policy guidelines, mechanisms for identifying and controlling conduct risk, and principles applicable to commercial and contractual relationships. The Circular amends Chapter XXXI of

the accounting and financial basic Circular (CBCF), and introduces a transition regime with implementation deadlines of 6, 12, and 18 months. Comments may be submitted until Friday, May 30, 2025. ([more detail](#))

SFC · Draft for external circular on guidelines for the management of conduct risk within the SIAR framework

(05/20) · Accounting

The Financial Superintendence of Colombia (SFC) has published for public consultation a draft external circular providing instructions on the prudential regime for technical reserves of insurance entities and the adoption of International Financial Reporting Standard 17 (IFRS 17) about insurance Contracts. This initiative aims to align accounting and prudential regulations following the enactment of Decrees 1271 and 1272 of 2024, incorporating consistent technical, actuarial, and supervisory standards in accordance with the organic Statute of the financial system (EOSF). The Proposal introduces two new chapters in the accounting and financial basic Circular (CBCF), defines specific methodologies through eight technical annexes, and establishes a transition regime leading to the full application of IFRS 17 starting on January 1, 2027. Comments may be submitted until Friday, May 30, 2025. ([more detail](#))

SFC · Circular with instructions on the risk-weighting of payroll loans and large exposures

(06/17) · Risks and capital

The Colombian Financial Superintendence (SFC) has issued External Circular 005 of 2025 to update prudential rules on the risk-weighting of payroll loans (or direct deduction credits) for solvency calculations, and to align the large exposure framework with recent regulatory developments. The Circular reflects provisions from Decree 1358 of 2024, which strengthens credit exposure limits and concentration risk control, and Decree 0573 of 2025, which clarifies the treatment of exposures backed by public guarantees and defines criteria for connected counterparties. It modifies relevant chapters of the Basic Accounting and Financial Circular (CBCF) and updates prudential reporting formats. The new rules will come into effect progressively between June and August 2025, and entities must submit their first adjusted reports based on data as of May 31, 2025. ([more detail](#))

SFC · Circular on the reissue of the CBJ

(06/25) · Capital and solvency

The Financial Superintendence of Colombia (SFC) has published External Circular 006 of 2025, reissuing the Basic Legal Circular (CBJ), in line with the objectives of the 2022–2026 National Development Plan and the 2023 Regulatory Improvement Policy. This update seeks to refine current regulations based on criteria such as obsolescence, duplication, unnecessary burdens, and lack of clarity, in order to strengthen legal certainty, facilitate digital consultation, and improve regulatory efficiency. The instructions issued in 2023 and 2024 remain unchanged, and the previously established transition regime remains in place. The circular entered into force on June 26, 2025. The circular comes into effect on June 26, 2025. ([more detail](#))

SFC · Circular regarding rescheduling of dates for submission of stress tests

(06/26) · Risks and capital

The Financial Superintendence of Colombia (SFC) has decided to extend the deadline for submitting stress test results—including the qualitative report and the format defined—until September 1, 2025, in order to facilitate a more orderly implementation and ensure a more robust assessment by entities, without undermining the objectives of the stress test file (EPR) as a prudential management tool. Due to the regulatory burden currently faced by supervised entities, particularly as a result of the entry into force of the new large exposure regime and the requirements arising from Decree 0573 of 2023, amending Decree 2555 of 2010 on key aspects of prudential regulation for credit institutions in Colombia, the supervisor has decided to relax the initially planned timetable. ([more detail](#))

Ecuador

JPRF · Guidelines for technological insurance service entities into private insurance system

(04/30) · Technology

The Monetary and Financial Policy and Regulation Board (JPRF) has issued resolution n° 2025-0152, which adds a rule regulating insurance technology service entities to book III on private insurance system of the codification of monetary, financial, securities and insurance resolutions. This regulation establishes guidelines for the operation and supervision of insurance technology services entities, ensuring compliance with legal standards and promoting innovation in the insurance sector. The maximum term for compliance with the activities will be until April 30, 2026. ([more detail](#))

Mexico

CONAMER · Organizational statute about administrative and functional reorganization for the financial protection of users.

(04/23) · Governance

The National Commission for Regulatory Improvement (CONAMER) has published the new Organizational Statute for the National Commission for the Protection and Defense of Financial Services Users (CONDUSEF) aimed at reorganizing the institution's internal structure to enhance efficiency. The statute comprehensively outlines the responsibilities of the Governing Board, presidency, vice presidencies, and general directorates, as well as the geographical distribution of its user service units across the country. It introduces updated guidelines to reinforce financial supervision, financial education, free legal representation, and dispute resolution between financial users and institutions. The new statute will come into force the day after its publication in the Official Gazette (DOF), repealing the previous version from July 15, 2019. ([more detail](#))

CNSF · Amending Circular updating Annexes 5.15.3 and 7.2.5 of the Single Circular on Insurance and Surety Bonds

(06/23) · Solvency

The National Insurance and Bonding Commission (CNSF) published Circular Amendment 1/25 to the Single Circular on Insurance and Bonding. The update revises Annexes 5.15.3 and 7.2.5, including new indices for claims paid and administrative expenses for the valuation of surety reserves, and updates the statutory scenarios for the 2024 Dynamic Solvency Test. These include a new hypothesis simulating the insolvency of the reinsurer or retrocessionaire with a minimum loss of 60% of the ceded risk. The amendment enters into force the day after its publication. ([more detail](#))

CNBV · Resolution Amending the Resolution that modifies the General Provisions applicable to credit institutions

(06/23) · Solvency

The National Banking and Securities Commission (CNBV) has published an Amending Resolution to the provisions applicable to credit institutions, originally amended in June 2024. This update responds to technical questions identified after the fraud prevention framework came into effect and incorporates adjustments to report A-2701 on monetary claims, as well as to Annexes 12-E and 12-F related to fraud management plans and the information that must be provided to users. Articles 207, 287 Bis, and 287 Bis 1 are also amended, strengthening authentication and communication requirements in the event of changes to the user's transaction amount or unrecognized monetary transactions. The resolution entered into force the day after its publication. ([more detail](#))

Panama

SBP · Circular about the requirements for the prevention of improper practices in risk management

(04/30) · Anti-corruption and bribery

The Superintendency of Banks of Panama (SBP) has issued circular 2025-0053, presenting the updated anti-corruption integrity guide for the Panamanian banking sector. This guide provides a detailed framework for financial institutions to develop and implement effective anti-corruption compliance programs, including risk assessments, internal policies and procedures, staff training, and third-party oversight. It also addresses the importance of ethical leadership, the independence of the compliance officer, and the management of incidents through appropriate investigations and sanctions. The deadline for submitting comments on the draft is May 20, 2025. ([more detail](#))

Peru

SMV · Regulation and assessment of corporate crime prevention models

(04/01) · Financial crime

The Superintendence of the Securities Market (SMV) of Peru has released a technical presentation about the regulation on corporate crime prevention models, as part of a conference organized by the Inter-American Accounting Association (AIC). The document outlines the current legal framework on corporate liability, Law No. 30424 and its amendments, the voluntary nature of implementing prevention models, and the SMV's role in issuing technical reports solely upon prosecutorial requests in criminal proceedings. It also details the minimum elements of the model, timelines and legal implications of the technical report, as well as the procedural benefits of having a compliant model. As a next step, the regulation requires that the SMV issue the technical report within 90 business days from the acceptance of the request, with the possibility of an extension based on case complexity. ([more detail](#))

SBS · Update of the reporting framework on economic groups and credit exposures

(05/13) · Reporting

The Superintendence of Banking, Insurance and Private Pension Fund Administrators (SBS) has approved the modification of chapter V about supplementary information of the accounting manual for financial system companies, to align it with Legislative Decree n° 1646 and the new Regulation on economic groups, affiliation, and operational limits. Key changes include the approval of new report formats concerning global and individual limits, economic group structure, single-risk clients, and financing to related parties. In addition, Report n° 21-A, which contained information about legal persons and entities affiliated with the company has been eliminated and replaced by a consolidated format that includes both identification and financing data for such affiliates. This resolution takes effect starting with the information corresponding to June 2025. ([more detail](#))

SMV · Approval of the multiannual institutional operational plan 2026-2028

(05/14) · Supervisory expectations

The Superintendence of the Securities Market (SMV) has approved the multiannual institutional operational plan (POI Multiannual) for the 2026–2028 period. This plan, developed in coordination with various SMV departments and aligned with the 2025–2030 institutional strategic plan, outlines the operational activities the entity will undertake over the next three years, in accordance with guidelines from the National Center for Strategic Planning (CEPLAN). ([more detail](#))

Management Solutions' Alert System on Regulation

Management Solutions promotes immediate knowledge of regulatory developments among its professionals and customers through FinRegAlerts App. It also offers regulatory radar solutions tailored to the specific needs of its clients.

Alert System on Regulation

The R&D department in Management Solutions monitors on a daily basis the regulatory publications from more than 30 financial regulators and supervisors and standards providers in the main regions where MS has a presence.

For those publications which are more likely to give rise to significant effects upon MS clients, the R&D department has been sending out publication alerts since the beginning of 2013.

Alerts are published in Spanish and English within 48 hours since the publication by the regulatory body.

Moreover, quarterly MS publishes the Regulation Outlook, a report that collects the alerts of the period and anticipates the main upcoming regulatory changes.

Management Solutions' service on financial regulatory alerts is provided through the FinRegAlerts App for mobile devices, which is available for free download in the main app stores:



Additionally, Management Solutions offers a regulatory radar service tailored to the specific needs of its clients. We encourage you to contact us for more information!

Main organisms being monitored

Global

FSB, BCBS, IASB, IOSCO, IAIS, IFRS

European region

Europe	EC, EP, Consejo, EBA, ESMA, EIOPA, ECB, SRB
UK	BoE, PRA, FCA
Spain	BdE, Gobierno, Cortes Generales, CNMV, DGSFP, MINECO

American region

US	Fed, SEC, OCC, FDIC
Mexico	CONAMER, DOF, SHCP, CNBV, CNSF
Brazil	BCB, Susep, CVM
Argentina	BCRA
Peru	SBS, Diario Oficial, SMV
Colombia	SFC, Banrep
Chile	CMF, Diario Oficial, BCC
Central America	ARCOTEL, BCE, CNBS, CRIE, SCVS, SB, SBP, SECMA, SIBOIF, SSF



Our goal is to exceed client expectations, becoming their trusted partners

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Manuel Ángel Guzmán Caba

Partner in Management Solutions

manuel.guzman@managementsolutions.com

Marta Hierro Triviño

Partner in Management Solutions

marta.hierro@managementsolutions.com

Management Solutions

Tel. (+34) 91 183 08 00

www.managementsolutions.com

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