

3Q25 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

During the third quarter of 2025, regulatory activity remained dynamic, with significant progress in sustainability, prudential risk, and resolution frameworks, both in Europe and in key economies such as Spain, the UK, and Latin America

Europe

In Europe, the regulatory agenda for the quarter was marked by significant progress in prudential, sustainability, and resolution matters. In the prudential sphere, the EBA published the final guidelines on acquisition, development or construction (ADC) exposures, as well as key consultations on the estimation and application of credit conversion factors (CCF), the definition of default, the prudential treatment of crypto-asset exposures, and the amendment of the RTS on own funds and eligible liabilities. It also released the results of the 2025 EU-wide stress test, together with new RTS on operational risk losses. The ECB, in turn, updated the revised Internal Models Guide to align it with CRR III. In the area of sustainability, the EC adopted a quick fix to the ESRS applicable to wave one companies, published the final Delegated Regulation on the Taxonomy as part of the *Omnibus* package, and issued a Recommendation to promote the use of the voluntary sustainability reporting standard for SMEs. In parallel, EFRAG proposed a substantial simplification of the ESRS, reducing the number of required disclosures by more than 50%. The EBA also launched a consultation on the supervision of greenwashing risks in retail banking products. In the field of resolution, EIOPA opened consultations on the technical standards related to the IRRD Directive and on the review of the Supervisory Review Process (SRP), while the EBA consulted on updates to the RTS on resolution plans and resolution colleges. Finally, the SRB published the final operational guide on resolvability testing, reinforcing supervisory convergence and institutions' preparedness for potential crisis scenarios.

Local

At the local level, in Spain, the Bank of Spain launched a consultation to amend Circulars 4/2017 and 1/2013 with the aim of updating the accounting criteria applicable to credit institutions and mutual guarantee societies, incorporating the changes introduced by the EU Banking Package and the new risk categories. On the other hand, the UK Government published its response to the consultation on the development of a Green Taxonomy, concluding that, for the time being, it will not proceed with its implementation due to the lack of stakeholder consensus and the existence of other operational frameworks, such as the EU Taxonomy and the UK's own sustainability reporting requirements.

In Latin America, regulatory developments focused on updating accounting and investment frameworks. In Peru, the SBS approved a new regulation on the classification and valuation of investments, aimed at modernizing measurement methodologies, strengthening risk management, and aligning accounting treatment with international standards. In Mexico, SHCP published the General Economic Policy Guidelines for 2026 and, through the DOF, a resolution updating the accounting and financial reporting criteria for credit institutions, reinforcing transparency and comparability within the financial system.

Regulatory Outlook

In the fourth quarter of 2025, key regulatory developments are expected in sustainability, disclosure, and prudential frameworks. In Europe, the review of the ESRS will continue, alongside final deliverables on CVA risk and reporting taxonomies. In the UK, supervisory expectations on Step-in Risk will come into force, while Spain will begin the phased implementation of its new financial reporting requirements. In Latin America, notable developments include Brazil's new general insurance framework and Mexico's recent accounting and macroeconomic measures

Featured regulatory projections

1. Next quarter

- **(Global) Q4 2025:**
 - ISSB: Final version of the amendments to the preliminary draft on climate disclosure.
- **(Europe) November 2025:**
 - EBA: Final technical package for version 4.2. of the Data Point Model (DPM).
 - EFRAG: Submission to the EC of the final technical opinion on the revised draft European Sustainability Reporting Standards (ESRS), following the consultation process and outreach events conducted in September-October.
- **(Europe) December 2025:**
 - EBA: i) Results of its EU-wide transparency exercise for 2025; ii) Risk Assessment Report (RAR).
- **(Europe) Q4 2025:**
 - EBA: i) Final report on Regulatory Technical Standards (RTS) on Credit Valuation Adjustment (CVA) risk in securities financing transactions; ii) Final version of the Implementing Technical Standards (ITS) on ESG reporting; iii) Final technical package for the implementation of the amended ITS on operational risk, including the DPM model, validation rules, and XBRL taxonomy; iv) Final Document on Retail Diversification Guidelines and Methods.
 - EC: Revision of the Sustainable Finance Disclosure Regulation (SFDR).
 - ECB: Final guidance on Governance and Risk Culture.
 - EIOPA: i) Revision and expansion of the stochastic valuation content in EIOPA's Supervisory Review Process (SRP) Manual; ii) Occupational pension funds stress test results.
 - EP/Council: i) Adoption of the Taxonomy delegated acts; ii) Approval of the Securitization Framework.
 - ESAs: Final designation of CTPPs, publication of the official list, and commencement of oversight activities under DORA.
 - ESMA: i) Guidelines promoting supervisory convergence under the SFDR, MiFID II, Taxonomy Regulation, CSRD, and the Benchmarks Regulation; ii) Final report and publication of draft technical standards on the European Single Electronic Format (ESEF), defining labeling standards for sustainability reporting and for Notes to Consolidated Financial Statements under IFRS.
- **(UK) Q4 2025:**
 - BoE: 2025 Stress Test results.
- **(Brazil) 2025:**
 - SUSEP: i) Disclosure of Financial Information Related to Sustainability, with a focus on strengthening flood coverage in residential insurance, in line with the priorities of the Regulatory Agenda; 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) Regulation for the identification of impaired and renegotiated loans; ii) Amendment to RAN 1-13 to include recovery plan management as part of supervisory review; iii) Requirements for the recognition of foreign Central Counterparties (CCPs); iv) Regulation on the sale and transfer of ownership of insurance companies; v) Exceptions or less burdensome compliance mechanisms under Law 18.876 (DCV); vi) Regulations on the calculation of risk-weighted assets for savings and credit cooperatives supervised by the Commission; vii) Regulations on statistical reporting and supervision of securities market entities (Exchanges and Infrastructures); viii) Regulation on complementary activities for entities registered in the RPSF; xi) Reference documents with models for risks not covered by Pillar 1 standards.
- **(Colombia) 4Q 2025:**
 - SFC: Results of stress tests required under Circular Letter 034 of 2025.

- URF: i) Decree on the supervision of information operators; ii) Final version of the decree on the architecture of the trust business; iii) Draft Decree on Solvency II.

2. Next year

- **(Europe) January 2026:**
 - ESAs: Publication of the final Guidelines on the integration of ESG risks in supervisory stress tests conducted by competent authorities.
- **(Europe) Q4 2026:**
 - EC: Circular Economy Act
- **(Chile) Q1 2026:**
 - CMF: i) Assessment of obstacles 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 investing in foreign investment funds; vi) Regulations defining standards of conduct for banks, insurance companies, and AGFs in their interactions with customers.
- **(Chile) Q2 2026:**
 - CMF: i) Rules for calculating risk-weighted assets in savings and credit cooperatives supervised by the Commission; ii) Reference documents with models for risks not covered by Pillar 1 standards; iii) Open finance system regulations (Annex No. 4 Technical specifications for cost allocation); iv) Regulatory Files for Financial Statements of Securities Intermediaries and Commodity Brokers; v) Full implementation of the Open Finance System and any modifications to the regulatory framework already issued.

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) Q4 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) Q4 2025:**
 - EBA: i) Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national sanctions; ii) Initial references for resolution planning and changes to MREL.
 - EC: Transposition of the Omnibus package I & II by December 31, 2025.
 - EP/Council: Regulation establishing a new EU AML and CFT Authority.
- **(Brazil) December 2025:**
 - Federal Senate: Entry into force of Law PL 29/2017, which establishes the new general insurance framework in Brazil.

2. Next year

- **(Europe) 2026:**
 - SRB: i) Paragraphs 18 and 25 of the operational guidance on operational continuity in resolution (OCIR); ii) First submission of the resolvability self-assessment under the final operational guidance, referring to the situation as of 31 December 2025 (deadline: 31 January 2026).
- **(Europe) January 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.
 - EC: i) Provisions in the final delegated act amending the delegated acts on taxonomic, climate, and environmental information disclosure will apply from January 1, 2026, affecting the 2025 financial year; ii) Application of the changes introduced by the Delegated Regulation amending the ESRS for wave one companies (information corresponding to the 2025 financial year).
 - EP/Council: i) Implementation of the Delegated Regulation amending the date of application of the FRTB as a regulatory framework; ii) 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).
- **(Europe) Q1 2026:**
 - Council: Regulation establishing a framework for access to financial data.
- **(Europe) March 2026:**

- EBA: i) First reference date for reporting under the amended ITS on operational risk; Implementation of the new operational risk reports in COREP and updating of all modules linked to the DPM 2.0 glossary.
- **(Europe) December 2026:**
 - EBA: i) ITS on ESG risk disclosure, exposure to equity instruments, and aggregate exposure to shadow banking entities; ii) ITS on reporting by third-country branches.
- **(Spain) January 2026:**
 - BdE: Application of the accounting changes introduced by Circular 4/2017 and Circular 1/2013 (electricity contracts, classification of financial assets, derecognition of liabilities, and initial recognition of trade receivables).
- **(Spain) March 2026:**
 - BdE: First application of the new reserved financial statements (monthly and quarterly) established in the amendment to Circular 4/2017 and Circular 1/2013.
- **(Spain) June 2026:**
 - BdE: First application of the half-yearly financial statements and the new credit risk hedging regime for country risk in accordance with the amendment to Circular 4/2017 and Circular 1/2013.
- **(Spain) December 2026:**
 - BdE: First application of annual financial statements in accordance with the amendment to Circular 4/2017 and Circular 1/2013.
- **(UK) January 2026:**
 - BoE: Supervisory statement on Step-in Risk.
- **(Brazil) January 2026:**
 - BCB: Complementary Law No. 214/2025, which creates taxes on goods and services (IBS) and social security contributions (CBS).
- **(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: i) Application of Standard No. 519 amending NCGs No. 30 and No. 461 (December 31, 2026); ii) Law No. 21,719, which regulates the protection and processing of personal data and creates the Personal Data Protection Agency.
- **(Colombia) January 2026:**
 - URF: Mandatory adoption of IFRS 17 as of January 1, 2026.
- **(Mexico) January 2026:**
 - DOF: Resolution on accounting criteria and financial reporting for credit institutions.
 - SHCP: General Economic Policy Criteria 2026.

3. More than a year ahead

- **(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: i) Application of amendments to the Solvency II Directive; ii) RTS and ITS related to IRRD
 - 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 IRRD.
- **(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 for calculating the capital requirement.
- **(Europe) July 2028:**
 - EP/Council: Transposition of the CSDDD¹.
- **(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.
- **(Peru) January 2027:**
 - SBS: Resolution establishing new regulations for the classification and valuation of investments.

¹ 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 & AI
R	Recovery & resolution	O	Others

Index of this quarter's most important publications

The information has been structured according to geographical criteria and, within each area, by regulator and chronology. First, the content is grouped by geographical region in the following order: global, Europe, Spain, United Kingdom, United States and Latin America. Within each region, the information is organized by regulator, in alphabetical order. Finally, within each regulator, the items are presented in chronological order, from the oldest to the most recent.

Scope	Regulator	Theme	Title	Date	Page
EU	EBA	CL	Final GL on ADC exposures	03/07/2025	12
EU	EBA	CL	Draft Guidelines on the methodology to estimate and apply credit conversion factors under the CRR	04/07/2025	13
EU	EBA	CL	Consultation on draft amended guidelines on the application of the definition of default under CRR	08/07/2025	15
EU	EBA	CL	Consultation on draft RTS amending the RTS on own funds and eligible facilities	14/07/2025	16

Scope	Regulator	Theme	Title	Date	Page
EU	EBA		Consultation on oversight on greenwashing risks	14/07/2025	17
EU	EBA		Consultation paper on the ITS on supervisory reporting requirements for third-country branches	01/08/2025	18
EU	EBA		Results of its 2025 EU-wide stress test	05/08/2025	20
EU	EBA		RTS on operational risk losses under the EU Banking Package implementation	06/08/2025	22
EU	EBA		Draft RTS on the prudential treatment of crypto asset exposures under CRR	06/08/2025	23
EU	EBA	 	Public consultation on amending the RTS on resolution plans and resolution colleges	07/08/2025	24
EU	EBA		No-action letter on the application of ESG disclosure requirements and update of the EBA risks dashboard	11/08/2025	25
EU	EBA	 	Public consultation on revised Guidelines on internal governance under CRD	03/09/2025	26
EU	EBA	 	Draft technical package and new enhanced DPM 2.0 glossary	09/09/2025	28
EU	EC	 	Final Delegated Act amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts	09/07/2025	29
EU	EC		Delegated Regulation amending the ESRS for companies belonging to wave one	15/07/2025	31
EU	EC	 	Recommendation on Voluntary Sustainability Reporting Standard for SMEs	31/07/2025	32
EU	ECB		Final version of the revised Guide to internal models	29/07/2025	33
EU	ECB		Final version of the revised policies on options and discretions	30/07/2025	35
EU	EFRAG		Revised ESRS Exposure Drafts	01/08/2025	37

Scope	Regulator	Theme	Title	Date	Page
EU	EIOPA	CL	Public consultation on revised Guidelines on the Supervisory Review Process	04/07/2025	39
EU	EIOPA	R	Consultation papers on draft technical standards related to the IRRDs	28/07/2025	40
EU	ESAs	S	Consultation paper on guidelines on the integration of ESG risks in supervisory stress tests conducted by competent authorities	01/07/2025	41
EU	SRB	R	Final version of the operational guidance for banks on resolvability self-assessment	11/08/2025	42
EU	SRB	R	Operational guidance on resolvability testing for banks	29/09/2025	43
Spain	BdE	CL D	Public consultation on the amendment of Circulars 4/2017 and 1/2013	24/07/2025	44
UK	GOV.UK	S	UK Green Taxonomy consultation response	18/07/2025	45
Mexico	SHCP	O	General Economic Policy Criteria 2026	12/09/2025	46
Mexico	DOF	CL	Resolution amending the General Provisions applicable to credit institutions	15/09/2025	47
Peru	SBS	CL	Resolution establishing new regulations on the classification and valuation of investments by companies in the financial system	01/09/2025	48

Relevant Publications

Europe

03/07/2025

CL EBA - Final GL on ADC exposures



1. Context

As part of the implementation of the final Basel III reforms in the European Union (EU), a new treatment has been the acquisition, development, and construction of land (ADC). These exposures are considered to be associated with higher risk and, as a result, a risk weight of 150% is set, although this may be reduced to 100% for ADC exposures to residential real estate provided that certain risk mitigation conditions are met. To specify these requirements, the CRR mandates the EBA to develop guidelines defining the terms associated with these conditions. Since the publication of the draft in July 2024, the EBA has received numerous responses to the consultation process, as well as data collected in a quantitative impact study (QIS) conducted in autumn 2024.

In this context, the EBA has published its **final guidelines on ADC to residential properties under the standard credit risk approach**, with the aim of harmonizing the classification of these exposures across the EU, clarifying the risk mitigation conditions that allow a 100% risk weight to be applied, and ensuring consistent application of the prudential framework by institutions.

2. Main aspects

The guidelines include the following amendments to two of the conditions allowing 100% risk weighting to be applied to ADC exposures to residential real estate:

- **First condition relates to the significant proportion of contracts.** The general framework proposed in the consultation paper is maintained, requiring that at least 50% of the contracts signed (pre-sale / sale, or pre-lease / lease) are legally binding and accompanied by substantial deposits or equivalent financing. However, specific flexibility is introduced for social housing projects or projects developed by non-profit entities regulated by law and pursuing social objectives. In these cases, this condition will be deemed to be met if the number of applicants for housing units exceeds the number of units available for rental, either at the project level or, failing that, at the municipal level. This adaptation recognizes the high structural demand in the social housing segment and allows preferential treatment to be applied even in the absence of binding contracts.
- **Second condition relating to the equity contributed by the debtor.** The general threshold for considering the debtor's own contribution to be adequate is amended, reducing it from 35% to 25% of the value of the property at the time of completion. This reduction responds to comments received from the sector during public consultation and the results of the QIS. In addition, in the case of social housing, the threshold is further reduced to 20%, and the concept of eligible equity is broadened. From now on, not only funds actually invested may be included as equity, but also subsidies and aid committed but not yet disbursed, as well as subordinated loans without collateral, backed by the State and with preferential conditions. These measures seek to recognize the financial particularities of this type of project and facilitate their access to the most favorable prudential treatment.

3. Next steps

- **Application of the guidelines.** The guidelines shall apply from two months after their publication in all official languages of the EU.
- **Communication of compliance by competent authorities.** National authorities must communicate to the EBA within two months whether they will apply the guidelines or justify their non-compliance. Otherwise, they will be considered non-compliant. The EBA will publish the notifications on its website.

04/07/2025

CL EBA - Draft Guidelines on the methodology to estimate and apply credit conversion factors under the CRR



1. Context

In 2016, the EBA launched the Internal Ratings-Based (IRB) Repair Programme, a regulatory initiative aimed at restoring consistency, credibility and comparability in the use of internal models for own funds requirements under the IRB Approach. The programme focused primarily on the key risk parameters used in credit risk modelling, specifically the probability of default (PD) and the loss given default (LGD), and resulted in a comprehensive set of guidelines covering their estimation and application. However, Credit Conversion Factors (CCFs) were explicitly excluded from the initial scope due to ongoing revisions in the Basel III framework, which limited the use of modelled CCFs to undrawn revolving exposures only. These changes were eventually incorporated into European Union (EU) law through Regulation (EU) 2024/1623 (CRR3), amending the original Capital Requirements Regulation (CRR).

In this context, the EBA has launched a public consultation **on draft Guidelines on the methodology to estimate and apply CCF's under the CRR**, with the objective of providing a harmonised methodology for the estimation and application of IRB-CCFs. These Guidelines aim to ensure methodological consistency with existing EBA guidance on PD and LGD, promote supervisory convergence, and reinforce the robustness of internal models across the EU banking sector.

2. Main aspects

The consultation paper includes the following key chapters:

- **Chapter 4 on Framework for CCF estimation and application.** It defines the scope of IRB CCFs, limited to undrawn revolving commitments under CRR3. Institutions must estimate CCFs at credit line level and apply alternative estimation methods when credit lines are fully or nearly fully drawn. The use of fixed CCFs of at least 100% is permitted when reliable models cannot be developed. Institutions are expected to align their definitions and the treatment of limits with their internal risk management practices and include only products with revolving features within the scope (e.g. credit cards, overdrafts). For fully drawn exposures and those under uncertainty, institutions must apply an alternative method based on limit factors. Methodologies must be consistent with PD and LGD estimation frameworks and supported by sound expert judgement.
- **Chapter 5 on Data requirements.** It sets out the requirements on data quality, governance and structure for CCF estimation. Institutions must construct a representative and well-documented reference dataset (RDS) with a reference date 12 months prior to default. They must justify the treatment of additional drawings, exclude unreliable data, and apply sound criteria for dataset construction, storage and traceability. The chapter also includes conditions to ensure RDS representativeness, such as the use of rolling windows, periodic coverage reviews by segment, and minimum thresholds to prevent bias. Additionally, mandatory variables, time structure and criteria for correct CCF calculation are set out. Institutions must validate that the RDS adequately reflects their exposures and drawdown behaviour, and correct any inconsistencies through exclusion of observations, additional segmentation or methodological adjustments.
- **Chapter 6 on Risk differentiation.** It describes how institutions must identify and use relevant risk drivers to segment exposures into grades or homogeneous pools based on drawdown behaviour. Explicit requirements on discriminatory power are introduced, requiring models to adequately differentiate between exposures with different risk levels, both in aggregate and at sub-portfolio level. Institutions must perform out-of-sample and out-of-time tests to validate model stability and prevent overfitting. Controls must ensure internal homogeneity of each segment and avoid overlaps or undue concentrations between risk classes, which could affect the robustness of CCF estimates.
- **Chapter 7 on Risk quantification.** It governs the estimation of long-run average CCF (LRA CCF) as a weighted arithmetic mean of realised CCFs over time, prohibiting the use of annual means or intermediate subsets that could mask homogeneity issues. Adjustments must be made for processes with incomplete drawings after default. Two methods are allowed: i) a simplified approach (only for non-retail exposures, under low materiality or internal control conditions); ii) a modelling approach, requiring drawdown estimation up to a maximum recovery period, in line with LGD practices. Finally, institutions must calibrate estimates to the LRA CCF, ensure consistency with the quantification sample, and consider conservatism margins (MoC) where risk drivers are missing.
- **Chapter 8 on CCF for defaulted exposures.** It defines how to estimate CCFs for exposures in default. If no additional drawings are expected after default, the CCF is not required, as the increase in exposure is captured in LGD. If such drawings are included, a modelling approach similar to LGD in-default may be used (without a fixed 12-month reference horizon), or a simplified approach for non-retail exposures,

applying non-default CCF estimates. The simplified approach is allowed only if low materiality and internal controls limiting additional drawings can be demonstrated. Institutions must use the credit rating prior to default to assign estimates, with no requirement for a specific rating scale or migration adjustments during the default period.

- **Chapter 9 on Treatment of deficiencies and margin of conservatism.** It states that, where a reliable IRB CCF estimate cannot be obtained due to data limitations (e.g. low materiality of revolving exposures, low discriminatory power, excessive granularity), institutions may apply a fixed CCF of 100%, provided it is justified with an appropriate MoC. This approach is subject to conditions: it can only be applied to the portion of the portfolio affected by data scarcity, the MoC must be sufficiently conservative (possibly exceeding 100%), and the approach must be validated through back-testing.
- **Chapter 10 on Downturn CCF estimates.** This chapter explains the framework for estimating CCF under downturn scenarios. Although based on the LGD downturn approach, institutions must assess whether downturns actually impact CCFs, as drawdown limits may increase in crisis contexts. Where the downturn impact is based on estimates rather than observed data, the haircut approach is not allowed, and extrapolation is only permitted at total CCF level. A reference value is maintained as a non-binding benchmark, and the downturn component estimated for non-defaulted exposures may be applied to defaulted ones. An additional conservatism requirement is introduced where there is strong correlation between default frequency and CCF magnitude, applying higher margins in such cases.
- **Chapter 11 & 12 on Application of risk parameters.** They align the requirements for application and review of risk parameters with those established for PD and LGD, adding specific references to CCF. A new requirement is introduced to ensure consistency between estimation, application and review of the CCF, using the same definition of the parameter in all phases. In particular, the unadvised limit must be applied consistently to determine the undrawn committed amount, as required by Article 166(8) of the CRR.

3. Next steps

- Consultation period opens until **October 15, 2025**.

08/07/2025

CL EBA - Consultation on draft amended guidelines on the application of the definition of default under CRR**1. Context**

The definition of default is set out in Article 178 of CRR and is further developed in Delegated Regulation 2018/171 (which specifies the criteria for identifying an obligation as being in default) and in the EBA Guidelines on the definition of default. Pursuant to Article 178(7) of CRR, as amended by Regulation 2024/1623, which revises the EBA's mandate in relation to flexibility in the identification of financial obligations that are impaired, the EBA is mandated to review these guidelines. Although the mandate explicitly states that the EBA should give due consideration to the need to provide sufficient flexibility to institutions to specify what constitutes a diminished financial obligation, it also allows for the review of other parts of the existing framework.

In this context, the EBA has published a **consultation on amended guidelines on the application of the default definition under CRR**, with the aim of clarifying certain aspects of the definition and aligning it with current accounting and supervisory frameworks to ensure consistent application across the European Union (EU). As part of its commitment to financial stability, transparency, and consistency, the EBA proposes to maintain the current 1% threshold for net present value loss in debt restructuring, thereby seeking to strike a balance between flexibility for institutions and the need to maintain sound risk management standards.

2. Main aspects

The consultation paper includes the following key aspects:

- **Compliance and reporting obligations.** The guidelines are issued in accordance with Article 16 of Regulation 1093/2010 (which establishes the EBA and its framework for action), which means that competent authorities and financial institutions must make every effort to comply with them and incorporate them into their regulatory frameworks or supervisory processes. Authorities must also notify the EBA whether or not they comply with the guidelines by the deadline set, and this information will be published on the EBA website.
- **Addressed institutions.** These guidelines are addressed to the competent authorities defined in Article 4(1)(40) of the CRR, including the European Central Bank (ECB) with regard to the tasks conferred on it by the Regulation establishing the Single Supervisory Mechanism (SSM), and to the entities defined in Article 4(1)(3), of the (CRR credit institutions and investment services companies).
- **Amendments.** The threshold of 1% loss in net present value is maintained, as it is considered sufficiently flexible and aims to avoid arbitrage or disproportionate impacts. Changes to the criteria for reclassification to default status are also analyzed but are ultimately rejected so as not to exacerbate the divergence from the definition of non-performing exposure (NPE) set out in Article 47a of CRR. The guidelines amend the original document EBA/GL/2016/07 on common criteria for applying the definition of default, introducing relevant adjustments in the following areas:
 - **Discrepancies between the definition of default and that of NPE.** It is clarified that the two definitions do not necessarily have to coincide, particularly with regard to the timing of an exposure's exit from default, allowing institutions to maintain differentiated approaches.
 - **Treatment of forbearance.** Clarifications are added on whether the granting of a moratorium (public or private) should be considered a relevant indicator of impairment leading to classification as default, promoting consistent application across jurisdictions.
 - **Non-recourse factoring.** Criteria are defined for assessing whether an exposure transferred under a non-recourse factoring agreement can be derecognized or whether it should continue to be assessed for probability of default, depending on the risks retained.
 - **Alignment with CRR.** The explicit reference to the 180-day default threshold for certain retail or public exposures is removed, in line with the regulatory adjustments introduced by CRR2, leaving the time thresholds to be determined in accordance with Article 178 of CRR and the general framework.

3. Next steps

- Responses to this consultation may be submitted until **October 15, 2025**.
- A public hearing will be held by conference call on **September 3, 2025**. The deadline to register is **August 29, 2025**.
- The guidelines will apply on a date yet to be determined, although the competent authorities may bring forward their adoption. Entities must adapt their rating systems and, where appropriate, seek prior approval. The internal validation function must verify the adjustments in accordance with applicable regulations, including Delegated Regulation 529/2014, which regulates the validation and classification of internal rating systems.

14/07/2025

CL EBA - Consultation on draft RTS amending the RTS on own funds and eligible facilities



1. Context

In 2021, the EBA revised the RTS on own funds and eligible liabilities, extending the deadline for requesting permission to reduce them from three to four months. This extension was in response to the need for additional time for competent and resolution authorities to carry out more complex assessments. However, the industry considered at the time that the new deadline was excessive, and the EBA committed to monitoring its implementation. Following this monitoring process, the EBA concluded in 2024 that these authorities now have sufficient experience to process applications within a shorter timeframe.

In this context, the EBA has published a **consultation paper on the draft RTS amending the RTS on own funds and eligible liabilities**, with the aim of introducing specific technical adjustments to its existing RTS. These changes seek to clarify certain aspects of the eligibility conditions and reflect lessons learned in supervisory application since their initial adoption.

2. Main aspects

The consultation paper includes the following key amendments:

- **Revision of Article 31 on reduction of the time limit and requirements for the application to the competent authority.** Article 31 is amended to stipulate that institutions must submit a complete application and the required information at least three months in advance of the planned action. This obligation applies both to individual prior authorisations and to general authorisations under Article 78(1) of the Capital Requirements Regulation (CRR). In addition, in the case of an application for renewal of a general authorisation, the application must also be submitted at least three months before its expiry, including the information required in Articles 30, 30a and 30b.
- **Revision of Article 32g on advance notice and documentation requirements for applications to the resolution authority.** Article 32g is amended to require institutions to submit a complete application and the relevant information to the resolution authority at least three months before taking or announcing any of the actions referred to in Article 77(2) of the CRR, such as write-down or write-back. This obligation applies to both individual prior authorisation requests and general authorisations under Article 78a (1) of the aforementioned regulation. In the case of requests for renewal of a general authorisation, the documentation must be submitted with the same advance notice, including the information provided for in Articles 32d, 32e and 32f.
- **Repeal of Article 32h on the abolition of the simplified procedure for entities in liquidation.** This article, which previously referred to simplified procedures now considered obsolete following recent regulatory changes that exclude certain entities from the prior authorisation requirement, is deleted.
- **Revision of Article 32i on coordination between competent authorities and resolution authorities in authorisation processes.** The obligation of coordination between the resolution authority and the competent authority is strengthened. The former must forward the complete application immediately. Both shall agree on a maximum response time of two months (or less in the event of renewal). Where the formal agreement of the competent authority is required, the latter shall give its opinion within three weeks (two in the event of renewal) and may object in whole or in part, stating its reasons. If the total processing time is less than three months, the intermediate deadlines must be adjusted accordingly.

3. Next steps

- The deadline for submitting comments is **9 October 2025**.
- A public hearing on this consultation will be held by conference call on **2 September 2025**, from 9:00 to 10:00 Central European Time (CET). The deadline for registration is **28 August 2025** at 16:00 CET.

14/07/2025

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EBA - Consultation on oversight on greenwashing risks**1. Context**

The EBA's Product Oversight and Governance (POG) framework was established to ensure that manufacturers of retail banking products design, monitor and review their products with consumers' interests in mind. In light of growing market concerns around greenwashing and the increasing demand for financial products labelled as Environmentally, Socially and Governance (ESG), the European Commission (EC) has invited the EBA to review its existing guidelines to better protect consumers and support the integrity of the sustainable financial market.

In this context, the EBA has launched a **public consultation on the revision of the guidelines on product oversight and governance arrangements for retail banking products to take into account products with ESG characteristics and the risk of greenwashing**. The proposed amendments aim to incorporate the specific risks of ESG criteria and sustainability claims into the internal processes of manufacturers and distributors, including product design, approval and review procedures.

2. Main aspects

The consultation paper includes the following amendments:

- **Subject matter, scope and definitions.** The revisions to Chapter 2 clarify that POG arrangements should also apply to products with ESG features, explicitly integrating greenwashing considerations into the scope. The Guidelines are extended to cover consumer credit under the Consumer Credit Directive (CCD) and reflect updates to the EBA's founding regulation. References to outdated frameworks are removed or updated, including deletion of obsolete references to national competent authorities under the Mortgage Credit Directive (MCD) and Capital Requirements Directive (CRD IV). Moreover, references to EBA's guidelines on the management of ESG risks are added to ensure alignment across regulatory documents.
- **Establishment, proportionality, review and documentation.** Guideline 1.3 is updated to ensure that product oversight and governance arrangements are embedded into the New Product Approval Policy (NPAP), in alignment with the latest version of the EBA Guidelines on Internal Governance. This ensures that ESG-related concerns are structurally addressed from the inception of new products.
- **Manufacturers' internal control functions.** Guideline 2 requires manufacturers to implement processes to manage such risks in line with the EBA's ESG risk guidelines. Also, staff involved in product design must now be trained in ESG-related risks, ensuring that governance structures adapt to sustainability disclosures and claims.
- **Target Market.** Guideline 3 is amended to ensure that ESG features are factored into the identification and periodic reassessment of a product's target market. These updates aim to prevent mismatches between product design and consumers' ESG preferences, especially important given the potential for misleading practices tied to sustainability claims.
- **Distribution Channels.** This revision highlights the necessity for manufacturers to select distribution channels with adequate ESG knowledge. Distributors must be capable of appropriately marketing products with ESG features, reducing the risk of mis-selling or miscommunication around such products' sustainability claims.
- **Information for distributors.** A new provision under Guideline 8.3 introduces explicit requirements for sustainability-related communication. Manufacturers must ensure that all ESG claims provided to distributors are fair, clear, accurate, up to date, and not misleading, strengthening safeguards against greenwashing in distributor-facing materials.
- **Information and support for the manufacturer's arrangements.** Distributors are now required to clearly communicate ESG-related product characteristics and risks to consumers, and a new provision specifies that all sustainability-related claims must meet transparency, accuracy, and clarity standards. These measures aim to avoid consumer deception and ensure coherent messaging across distribution chains.
- **Outsourcing.** The amendments replace outdated references to the Committee of European Banking Supervisors (CEBS) outsourcing guidelines and integrate newer standards, including the EBA Guidelines on third-party risk management and the Digital Operational Resilience Act (DORA). The updated text emphasizes that manufacturers and distributors retain ultimate responsibility even when relying on third parties.

3. Next steps

- Responses to this consultation may be submitted until **October 9, 2025**.

01/08/2025

D EBA - Consultation paper on the ITS on supervisory reporting requirements for third-country branches



1. Context

The European regulatory framework for banking supervision has evolved in recent years towards greater harmonisation and control of the risks associated with institutions established outside the European Union but with significant activity within its territory. Branches of credit institutions based in third countries represent a significant focus of supervision, particularly given the diversity of national practices and the increase in the volume of transactions carried out by these institutions. In this regard, the recent review of the European banking package has introduced new requirements to improve transparency and supervisory consistency in relation to such branches.

In this context, the European Banking Authority (EBA) has published a **consultation paper presenting draft implementing technical standards (ITS) on supervisory reporting requirements for third-country branches**, in accordance with Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD). The aim of the document is to establish uniform formats, definitions and frequencies for the regular reporting of financial and regulatory information by these branches, including relevant information on their parent entity.

2. Main aspects

- **Template structure.** The draft proposes two annexes of standardised templates: Annex I, which collects information on the third country branches themselves, and Annex II, which focuses on information on the parent institution. In both cases, the reporting obligation lies with the supervised branch.
- **Proportional classification of branches.** A proportional approach is introduced that classifies branches into Class 1 (high supervisory relevance) and Class 2 (limited relevance), which determines the volume and frequency of reporting. This distinction applies exclusively to the templates in Annex I, while those in Annex II are required without differentiation.
- **New requirements introduced by Directive (EU) 2024/1619 (CRD VI).** This regulation extends the reporting obligations of third-country branches with respect to previous versions. These include, among others: i) details of assets and liabilities originated by the branch; ii) breakdown of significant counterparties and risk and funding concentrations; iii) internal transactions with the parent entity and its group; iv) prudential compliance of the parent entity (individual and consolidated); v) supervisory review of the parent company and its business strategy towards the branch; and vi) services provided by the parent company in the European Union through reverse reporting.
- **Reporting frequency and content.** Reporting frequencies are adjusted to the type of information and class of branch. For example, information on liquidity coverage (templates E09.01/E09.02) shall be reported on a monthly basis, while information on the parent company's business strategy (template H07.00) shall be reported on a half-yearly or annual basis. The reference and submission dates are precisely defined (e.g. 31 March and 11 May, respectively).
- **Requirements in Member States with equivalent regimes.** Member States which, in accordance with Article 48a (4) of the Directive, choose to apply the same requirements to their third-country branches as to domestic credit institutions must also ensure that the data covered by these implementing technical standards is reported. They may also impose additional requirements at national level.
- **Technical and format requirements.** The information must be submitted in XBRL format, complying with the data point model (DPM) and validation rules defined by the EBA. The submission of unaudited figures is initially permitted, with an obligation to replace them with audited figures as soon as they become available.
- **Regulatory impact assessment.** The EBA has chosen not to apply proportionality to the templates relating to the parent entity in order to ensure supervisory consistency and comparability between groups. In terms of liquidity, proportionality has been prioritised by requiring Class 1 branches to submit only a summary template (referred to as E09.01), avoiding the full roll-out of the liquidity coverage framework for credit institutions.

3. Next steps

- The public consultation period will be open until **31 October 2025**. The EBA will submit the final version of the ITS to the European Commission (EC) by **10 January 2026**, and it will be published in the Official Journal of the European Union (OJEU).
- The implementation date is set for **28 December 2026**.
- During the first year of application, all branches will report only on an annual basis.

- Some templates linked to specific CRD requirements, such as those relating to Articles 48h (recording of assets and liabilities), 48e (capital requirements) and 48f (liquidity requirements), will only be enforceable from **11 January 2027**, when those provisions enter into force. Consequently, third-country branches must comply with the submission of these templates from the first reference date after that entry into force.

05/08/2025

CL EBA - Results of its 2025 EU-wide stress test**1. Context**

Since 2011, the European Banking Authority (EBA) has coordinated EU-wide stress tests to assess the resilience of the banking system to adverse scenarios. These tests have become a key tool in prudential supervision, informing the setting of capital buffers, Supervisory Review and Evaluation Process (SREP) assessments, and the identification of systemic vulnerabilities. In recent exercises, the EBA has strengthened the methodology to improve comparability between banks, risk sensitivity, and the integration of new regulations, such as Capital Requirements Regulation (CRR) 2 and now CRR3.

In this context, the EBA has published the results of its 2025 EU-wide stress test, which aims to assess the ability of the 64 largest EU banks to absorb losses under a severe macro-financial scenario. The exercise introduces the CRR3 regulatory framework for the first time and presents projections up to 2027, covering credit, market, operational, and income risks.

2. Main aspects

The document includes the following aspects:

- **More severe adverse scenario and key methodological developments.** The 2025 scenario projects a recession in the EU and other advanced economies due to geopolitical tensions, trade fragmentation, and supply shocks. Real gross domestic product (GDP) falls by -6.3%, unemployment rises by +5.8 percentage points (pp), and equities fall by 50% and commercial real estate by 29.5%. Capital Requirements Regulation version 3 (CRR3) is applied for the first time, in a transitional and fully loaded version, net interest income (NII) is centralized, market risk analysis is strengthened, and expenses are broken down by type and country.
- **Key findings.** Banks started with an average Common Equity Tier 1 (CET1) ratio of 15.8% (transitional CRR3), falling to 12.1% in 2027 under the adverse scenario (-370 basis points (bp)). This reduction is smaller than in 2023, thanks to better starting points and greater income-generating capacity. All banks meet the SREP requirements, except for one that fails to meet the minimum leverage ratio. The median final CET1 ratio is 13% (range 11%-15.5%) and the leverage ratio falls from 5.8% to 4.9%. Banks with higher initial income and greater geographical diversification show smaller capital declines, while those with more impaired assets (stage 2 or 3, according to IFRS 9) tend to suffer greater losses, with impacts that can exceed 600 basis points in some cases, confirming its relevance in the dispersion of results among entities.
- **Key findings. Banks started with an average** Common Equity Tier 1 (CET1) ratio of 15.8% (transitional CRR3), falling to 12.1% in 2027 under the adverse scenario (-370 basis points (bp)). This reduction is smaller than in 2023, thanks to better starting points and greater income-generating capacity. All banks meet the SREP requirements, except for one that fails to meet the minimum leverage ratio. The median final CET1 ratio is 13% (range 11%-15.5%) and the leverage ratio falls from 5.8% to 4.9%. Banks with higher initial income and greater geographical diversification show smaller capital declines, while those with more impaired assets (stage 2 or 3, according to IFRS 9) tend to suffer greater losses. Factors explaining the reduction in capital. The adverse scenario causes a significant drop in capital, combining lower profits, risk losses and an increase in weighted exposures. Although banks start with high profitability in 2024, the aggregate impact of the scenario translates into a net loss of EUR 18 billion and a potential reduction of EUR 562 billion compared to a scenario without stress (All capital impact figures are expressed in accordance with the temporary application of CRR3, unless otherwise indicated)..
 - **Net income.** The scenario leads to a cumulative loss of EUR 436 billion compared to a scenario without stress. The reduction comes mainly from lower trading income, net interest income, and fees and commissions. Net interest income continues to act as a buffer against losses, although its performance varies among banks depending on their balance sheet structure.
 - **Expenses.** Expense projections increased to EUR 1.19 trillion over the three-year period, which is EUR 36 billion more than if they remained constant. The increase is due to inflation, especially in salaries. Some banks adjusted their initial base for non-recurring events, partially reducing the impact on CET1.
 - **Credit risk.** This is the main source of losses, at EUR 394 billion, with an impact of 437 bp on CET1. It affects portfolios with a higher proportion in stage 2 or 3. Sectors such as manufacturing, transportation, and commercial real estate show the greatest deterioration. The limited use of sectoral models amplifies the impact on banks with low granularity.
 - **Market risk.** The scenario generates losses of EUR 98 billion, reducing CET1 by 108 bp. It mainly affects banks with sovereign positions valued at market value and high exposure under the advanced approach. Losses are concentrated in the first year, with credit spreads accounting for 45% of the total.

- Operational risk. Losses amount to EUR 55 billion, with an impact of 65 bp on CET1. They are higher than in previous years and are explained by an increase in conduct and cyberattack risks, especially in 2025.
 - Risk exposure amounts. Total risk-weighted exposures (REA) increase by 9.6% to EUR 9,882 million. The increase is mainly due to credit risk (+538 million) and market risk (+108 million). Although the output floor does not apply, under a fully loaded approach the impact would be greater.
- **Conclusions.** The 2025 exercise confirms that the main European banks remain resilient in a severe macro-financial scenario, backed by solid profitability and initial capital. However, their loss absorption capacity is expected to decline if margins fall or structural risks persist. Credit risk remains the main source of losses, followed by an increase in market risk. Vulnerabilities are concentrated in less diversified portfolios or those with less developed models. Although the impact of CRR3 is still limited, fully loaded ratios would remain above 11%.

06/08/2025

CL EBA - RTS on operational risk losses under the EU Banking Package implementation**1. Context**

We would like to inform you that the European Banking Authority (EBA) has published three regulatory technical standards (RTS) on operational risk losses within the framework of the European Union (EU) banking package. Context The EBA has been actively working on the technical implementation of the EU Banking Package, a legislative package adopted in June 2024 that reformed CRR3, as well as the Capital Requirements Directive (CRD6). In terms of operational risk, CRR3 establishes a renewed standard approach based on business indicators and historical losses, eliminating internal models. Since 2023, the EBA has launched public consultations and technical drafts to align reporting and calculation practices with the new European prudential requirements.

In this context, the EBA has published three RTS on operational risk losses in the framework of the EU Banking Package, with the aim of ensuring a harmonized application of the new standard approach. These products deal with: i) the establishment of a taxonomy of operational risk; ii) the conditions under which the calculation of annual operational risk loss would be excessively burdensome for an institution; and iii) adjustments to an institution's loss data set.

2. Main aspects

The document covers the following aspects:

- **RTS on the establishment of a taxonomy for operational risk.** These RTS develop a harmonized taxonomy that includes seven Level 1 event types, along with 26 Level 2 categories, which are mutually exclusive and collectively exhaustive. In addition, they introduce the mandatory use of flags, such as environmental, social and governance (ESG) risks, greenwashing, information and communication technology (ICT) risks, legal risks, or business lines affected. This structure allows for a consistent classification of loss events across institutions and facilitates supervision by competent authorities. A methodology is also specified for the allocation of loss events, including events that fall into multiple categories, those that are quickly recovered or related to litigation.
- **RTS on the conditions under which it would be excessively burdensome for an entity to calculate the annual loss from operational risk.** Three situations are clarified in which competent authorities may temporarily exempt an institution from this obligation: (i) when the threshold of EUR 750 million is exceeded as a result of a merger or acquisition, but without exceeding EUR 1 billion, in which case an exemption of up to three years (or two years if any of the institutions already calculated the loss) is permitted; (ii) when the threshold is exceeded temporarily (no more than four consecutive quarters or eight in the last twenty); and (iii) in the case of a bridge institution in the context of resolution.
- **RTS on adjustments to an entity's loss data set.** The requirements for incorporating the historical losses of merged or acquired entities into the acquirer's data set are detailed. This includes converting the amounts to the acquirer's currency at the exchange rate for the relevant year and reclassifying the events in accordance with the new taxonomy. If adequate data is not available, a temporary estimation formula based on the ratio of reported losses to the business indicator may be used. This formula may be used for up to 10 years back when the acquired entity was not subject to the loss data maintenance requirement, or for a maximum of two years if it was, while the integration is completed.

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**.

06/08/2025

CL EBA - Draft RTS on the prudential treatment of crypto asset exposures under CRR**1. Context**

The development of crypto-assets markets and activities has been marked by significant market innovation and advancements. Institutions have shown increasing interest in getting involved in crypto-assets activities. This interest is driven by the potential for new revenue streams and the need to stay competitive in a rapidly evolving financial landscape. Institutions are exploring various roles, including acting as custodians of crypto-assets, issuing crypto-assets, and providing related services such as trading and lending on behalf of their clients. However, this involvement also comes with challenges, including regulatory compliance, risk management, and the need for a robust technological infrastructure.

In this context, the EBA has published **draft RTS on the prudential treatment of exposures to crypto-assets under the Capital Requirements Regulation (CRR)**, which specify the technical elements necessary for institutions to calculate and aggregate exposures to crypto-assets in relation to the prudential treatment of such exposures. The RTS address the implementation aspects and will ensure the harmonization of capital requirements for crypto asset exposures by institutions across the European Union (EU).

2. Main aspects

The document covers the following aspects:

- **Article 1 on the calculation of own funds requirements for exposures referred to in Article 501d (2), first paragraph, point (b) of CRR.** Article 1 of the draft RTS establishes that institutions must calculate own funds requirements for credit risk for exposures to certain crypto assets (those defined in Article 501d(2)(b) of the CRR) by applying a risk weight of 250% in accordance with the rules for traditional assets. In addition, the recognition of these crypto assets as eligible collateral is prohibited, and the methods for calculating counterparty risk, market risk, and credit valuation adjustment (CVA) risk are specified, differentiating between standard approaches, standardized alternative approaches, and internal approaches (the latter not yet permitted for crypto assets). In all cases, the technical treatment largely follows the rules already established for traditional assets in the CRR but adapted to the specificities of crypto assets.
- **Calculation of own funds requirements for exposures referred to in Article 501d (2), first paragraph, point (c) of the CRR.** Article 2 of the draft RTS establishes the prudential treatment applicable to exposures to crypto assets that fall under Article 501d(2)(c) of the CRR. First, it defines which crypto assets meet the eligibility criteria for more detailed technical treatment, based on their structure (e.g., whether they are referenced in exchange-traded funds (ETFs) or regulated and cleared derivatives), minimum capitalization ($\geq$ EUR 10 billion), trading volume ($\geq$ EUR 50 million), and availability of price and volume data. For these assets, specific rules are set to calculate credit risk, counterparty risk, market risk (including delta, vega, and curvature sensitivities under standard approaches), and CVA. In contrast, crypto assets that do not meet the above criteria are assigned a uniform risk weight of 1,250%, with additional rules for derivatives, limited netting recognition, and no eligibility as collateral. The article also clarifies that the use of internal models for market and counterparty risk is not permitted during this transitional period.
- **Total exposure limit for exposures referred to in Article 501d (3) of CRR.** Article 3 of the draft RTS establishes the formula for calculating the total exposure limit to crypto assets in accordance with Article 501d(3) of CRR. This limit applies to exposures in "other crypto assets" (Article 501d(2)(c)), including those that meet the technical criteria in Article 2(1). The methodology requires adding, for each crypto asset (k), the greater of the absolute value of the sum of long positions and the sum of short positions. Direct netting between the two is not permitted. In addition, it is specified that positions offset through a qualified central counterparty (QCCP), where the entity acts only as an intermediary between the client and the QCCP, are excluded from the calculation of the exposure limit.

07/08/2025

CL EBA - Public consultation on amending the RTS on resolution plans and
R resolution colleges



1. Context

Following the adoption of the original RTS in 2016 through Delegated Regulation 2016/1075, the EBA has accumulated more than a decade of supervisory experience in resolution plans, resolvability assessments, and coordination between authorities. During this time, a number of limitations have been identified in terms of the complexity, redundancy of information and lack of flexibility of current resolution plans, as well as operational inefficiencies in the decision-making procedures of resolution colleges.

In this context, the EBA has issued a public consultation on amending the RTS on resolution plans and resolution colleges, with the aim of reviewing and updating the RTS applicable to the content of resolution plans, resolvability assessments, and the operational functioning of resolution colleges. The proposal seeks to increase efficiency, improve the usability of plans, and strengthen cross-border cooperation in resolution contexts.

2. Main aspects

The document includes the following aspects:

- **Simplification and restructuring of resolution plans.** The structure of the plan is reorganized following a logical sequence of the planning process, eliminating duplication and focusing the content on key elements for crisis decision-making. A clear distinction is made between the strategic decisions of the authorities and the assessment of the institutions' capabilities, and a minimum mandatory content for the plan summaries is specified.
- **Resolvability assessment by key dimensions.** A structure aligned with international practice is adopted, reorganizing the assessment into seven dimensions: governance, loss absorption capacity, liquidity, operational continuity, information systems, communication, and separability/restructuring. This promotes consistency and comparability across jurisdictions.
- **Greater operability and optionality.** Plans are required to be more executable, including key steps for implementing the preferred strategy and variants. The need to justify the choice of alternative strategies for crisis contexts is reinforced, ensuring flexibility in the face of unforeseen scenarios.
- **Simplification of the functioning of resolution colleges.** The joint decision-making process is reduced to four essential steps, allowing for greater flexibility and proportionality. Administrative obligations such as the annual updating of member lists are eliminated and the use of virtual meetings is allowed. The role of college coordinator is introduced, and the use of secure document exchange platforms is facilitated.
- **Strengthening cooperation in crisis situations.** Specific procedures are defined for emergency situations, with immediate exchange of information, urgent meetings and coordination to assess whether a resolution scheme should be activated. Periodic testing of the college's procedures in simulated contexts is required.

3. Next steps

- The consultation will be open until November 5, 2025.

11/08/2025

S EBA - No-action letter on the application of ESG disclosure requirements and update of the EBA risks dashboard



1. Context

In recent years, the EBA has been strengthening the prudential disclosure framework for ESG (environmental, social, and governance) risks under Pillar 3 of Basel, in line with its mandate under the Capital Requirements Regulation (CRR). Article 449a, introduced by CRR2, established the obligation for large institutions with securities admitted to trading on a regulated market to disclose information on their exposure to ESG risks, an obligation operationalized through Implementing Regulation 2024/3172. Subsequently, CRR3 extended the scope of these disclosures to all institutions, with entry into force on January 1, 2025.

In this context, the EBA has published the no-action letter on the application of ESG disclosure requirements and the update of the EBA's ESG risk dashboard with December 2024 data, with the aim of providing clarity to institutions on the timetable for compliance with the new ESG disclosure requirements, in view of possible delays in the formal adoption of the new ITS by the European Commission (EC).

2. Main aspects

This letter formalises the guidance already provided in the consultation published by the EBA in May 2025 on the amendment of the ITS on the disclosure framework under Pillar 3 of the EBA. In particular, it includes the following recommendations to competent authorities until the amended ITS included in the consultation enter into force:

- **For large institutions that have issued securities admitted to trading on a regulated market in any Member State**, competent authorities **shall not prioritise** the application of the requirements relating to the collection and disclosure of templates **EU 6 to EU 10, together with column c of template 1 and column c of template 4**.
- **For all other institutions** falling within the new scope of Article 449a of the CRR, competent authorities **shall not prioritise the application of the disclosure of the relevant ESG risk information templates**, as applicable to each type of institution, in accordance with Implementing Regulation (EU) 2024/3172.
- On the other hand, the updated version of the ESG risk dashboard shows that ESG risk remains stable in banks in the European Union (EU) and the European Economic Area (EEA). This result shows a long-term horizon for climate-related risks and a gradual pace of change in bank portfolios. According to the EBA, the content of this dashboard will be adjusted in future editions, in line with the non-intervention letter and the recommendations to competent authorities not to prioritise the implementation of certain models and specific disclosure requirements.

03/09/2025

CL EBA - Public consultation on revised Guidelines on internal governance under
G CRD

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Authority

1. Context

In recent years, the internal governance of institutions has been the subject of increasing attention from European supervisors, particularly within the framework of the CRD. In this context, Article 74(3) of the CRD mandates the EBA to develop guidelines on governance arrangements applicable to credit institutions, and Article 48g(9) extends this mandate to third-country branches. The revision of the guidelines on internal governance is part of the roadmap for the implementation of the banking package of the Capital Requirements Regulation (CRR) 3 and CRD 4, which came into force on 1 January 2025, and which seeks to strengthen the European Union's (EU) prudential regulatory framework, promote more effective supervision and improve risk control by institutions.

In this context, the EBA has launched a consultation on its Guidelines on internal governance under CRD. The proposed revisions reflect changes to the capital framework and other relevant legislation, such as the Digital Operational Resilience Regulation (DORA) in relation to ICT risks and operational resilience, as well as diversity, environmental, social and governance (ESG) risks, and the treatment of complex structures or third-country branches.

2. Main aspects

The EBA proposes amendments to its internal governance guidelines to bring them into line with CRD 4 and CRR 3, reinforcing proportionality, clarity of responsibilities and the independence of control functions. The main changes compared to the previous version are:

- **Proportionality.** The principle of proportionality is reinforced throughout the regulation, so that obligations are applied with greater flexibility depending on the nature, complexity and size of the institution. In addition, the scope of the guidelines is expressly extended to third-country branches, which must apply the requirements in a manner adapted to their operational reality.
- **Role and composition of the administrative body and committees.** The obligations to establish, approve and supervise the implementation of the following are extended: i) governance and control frameworks, including ESG risk management processes and information networks and systems managed in accordance with Regulation (EU) 2022/2554 (DORA); ii) plans for monitoring and assessing risks; iii) plans and quantifiable objectives for managing concentration risk arising from systemic central counterparties.
- **Overall governance framework.** The governance framework must include a comprehensive and up-to-date mapping of functions, prepared and maintained at individual, sub-consolidated and consolidated levels, detailing reporting lines, responsibilities, internal control functions, governance bodies and their interactions, consistent with individual statements of roles and duties. This mapping should identify potential gaps, reflect the structure, complexity and nature of the entity or group, and incorporate key aspects of the activity, relationships with committees, outsourced functions and justification of shared functions.
- **Governance framework for third-country branches.** A specific governance framework is introduced that essentially equates the obligations of these branches with those of credit institutions, applying proportionality. The functions and responsibilities of the people who effectively direct the business, including possible local management committees, are regulated, avoiding conflicts of interest and ensuring sufficient presence in the Member State. It is required to maintain sufficient operational capacity so as not to become empty structures, even in agreements with third parties or back-to-back transactions, to manage ICT risks in accordance with DORA, to control outsourced functions and to ensure that business with a link to the EU is managed from the EU. Requirements for remuneration are added, including principles of equality and consideration of ESG risks.
- **Risk culture and conduct.** The provisions on conflicts of interest are extended to cover personal situations as well as those related to loans to related parties. Internal and external reporting channels are strengthened, ensuring traceability and protection for whistleblowers. In addition, systematic monitoring of gender representation and equality indicators is introduced at all levels of the organisation, including committees, business areas, succession and training processes, with the results being integrated into personnel management.
- **Internal control framework.** The independence and coordination of key functions is specified, with greater attention to controls on new products and a strengthening of obligations in the area of anti-money laundering and counter-terrorist financing (AML/CFT).
- **Business continuity.** More detailed continuity requirements are introduced, in line with DORA, especially for ICT risk management. Greater depth is required in impact analysis, the design of recovery tests and the development of specific plans, including the possibility of designating a function responsible for business continuity within the entity.

3. Next steps

- The consultation will be open until 5 October 2025.
- The EBA will hold a virtual public hearing on 5 September.

09/09/2025

CL EBA - Draft technical package and new enhanced DPM 2.0 glossary**D****1. Context**

In June 2024, the EBA published its plan for the implementation of DPM 2.0, which includes the remodeling of all reporting modules under a new common semantic glossary. Version 4.2 of the regulatory framework will complete this transition, consolidating the exclusive use of DPM 2.0 to replace the previous model.

In this context, the EBA has published a **draft technical package for version 4.2 of the DPM**, which is a key milestone in the transition to the DPM 2.0 standard and the introduction of a fully enhanced semantic glossary. This early release is a decisive step in the transition to the DPM 2.0 standard and aims to facilitate entities' preparation through open public consultation, prior to the final publication scheduled for November 2025.

2. Main aspects

The draft includes a set of relevant technical and regulatory updates:

- **Finalization of the new DPM 2.0 glossary.** The EBA has completed the development of the DPM 2.0 glossary, which will now be applied across the entire reporting framework. This unified glossary aims to harmonize terminology, reduce duplication, and ensure greater consistency in information requirements. This fulfills the provisions of the roadmap published in June 2024 for the implementation of DPM 2.0, which seeks to modernize the structure of regulatory data and facilitate the uniform interpretation of reporting obligations between entities and supervisors.
- **Draft technical package for version 4.2.** The published draft includes a set of validation rules, the DPM, and the Extensible Business Reporting Language (XBRL) taxonomies necessary for the application of version 4.2 of the reporting framework. This package is being presented in advance so that institutions can prepare and provide comments before the final publication.
- **Revision of technical implementation standards (ITS) on resolution planning.** The EBA has conducted a comprehensive review of ITS relating to resolution planning, which represents a far-reaching update for competent authorities and institutions subject to these requirements.
- **New requirements in the common reporting framework (COREP).** The technical package introduces new reporting obligations linked to the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD). In particular, new reports on operational risk are incorporated.
- **Updates to the ITS on minimum requirements for own funds and eligible liabilities (MREL).** The technical standards relating to the identification and transmission of information on MREL are updated, improving the reporting mechanisms of resolution authorities to the EBA.
- **Changes to market risk supervisory benchmarking.** Finally, the draft introduces adjustments to the market risk benchmarking exercise in order to adapt metrics and requirements to the new standards and ensure a more robust assessment by supervisors.

3. Next steps

- The consultation will be open until **September 19, 2025**.
- The final technical package for version 4.2 will be published in **November 2025**.
- The EBA expects the first references for **resolution planning** and **changes to MREL** to come into effect in **December 2025**.
- The new reports on **operational risk in COREP (CRR3/CRD6)** and the update of all modules linked to the DPM 2.0 glossary will apply from **March 2026**.
- The changes to **market risk benchmarking** will begin in **February 2026**, with a second reference planned for **May 2026**.

09/07/2025

EC - Final Delegated Act amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts



1. Context

On 26 February 2025, the EC approved a legislative proposal known as Omnibus Proposal I, which aimed, among other things, to simplify the implementation and disclosure requirements associated with the European Union (EU) environmental taxonomy. This proposal proposed amendments to key aspects of several delegated regulations: Delegated Regulation (EU) 2021/2178 on disclosure of information relating to environmentally sustainable activities, Delegated Regulation (EU) 2021/2139 on technical selection criteria for climate objectives, and Delegated Regulation (EU) 2023/2486 on remaining environmental objectives. The measures contained in the proposal responded to the difficulties identified in the first reporting exercises by non-financial entities, which began reporting in 2023, and by financial entities, which began their reporting obligation in 2024. Among the main challenges identified were excessive administrative burdens, the limited usefulness of certain key performance indicators and the technical complexity of the criteria for determining that an activity does not cause significant harm to the environment (DNSH).

In this context, the EC has published the final Delegated Regulation amending the delegated acts on disclosure and technical criteria linked to Regulation (EU) 2020/852 on taxonomy for sustainable finance. The aim of this publication is to simplify and streamline reporting obligations, reduce the administrative burden on reporting entities and improve the legal and technical clarity of the framework, while maintaining its environmental coherence and alignment with the objectives of the European Green Deal.

2. Main aspects

The Delegated Regulation consolidates the measures proposed in February 2025 but also introduces a number of substantive changes in response to comments received during the public consultation and technical needs identified in its practical application. Among the main changes introduced compared to the February version, the following are noteworthy:

- **Elimination of the obligation to assess self-classified substances against the criteria for not causing significant harm (DNSH).** One of the most significant changes affects Appendix C of the DNSH principle, which in the February version maintained the obligation to assess chemicals self-classified by companies themselves. In the final version, this requirement is removed, and the assessment is limited exclusively to substances with a harmonised classification under the Classification, Labelling and Packaging Regulation (CLP) and those included in the list of substances of very high concern (SVHC) under the Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (REACH).
- **Clarification of legal exemptions in DNSH criteria.** The final version incorporates technical adjustments to the exemptions applicable to the use of certain regulated substances in specific sectors, such as those that deplete the ozone layer or those subject to the Directive on the restriction of hazardous substances in electrical and electronic equipment (RoHS). These amendments align the disclosure framework with the rest of European environmental law and provide greater legal consistency.
- **Revision of the treatment of counterparties not subject to disclosure requirements.** While in February the possibility of excluding these counterparties from the calculation of key performance indicators was anticipated, the final version specifies that only those not obliged to disclose sustainability information pursuant to Articles 19a or 29a of the Accounting Directive 2013/34/EU, introduced by the Corporate Sustainability Reporting Directive (CSRD), may be excluded, unless they report voluntarily or where the use of loan proceeds is known. This more precisely defines the perimeter of the exclusion.
- **Formalisation of minimum materiality thresholds.** The materiality thresholds already provided for February are confirmed, but the final version formulates them with greater operational clarity: activities may be exempt from eligibility or alignment assessment when they represent less than 10% of turnover, investments (CapEx) or operating expenses (OpEx). In the case of OpEx, an additional threshold of 25% is also envisaged in certain cases. This allows entities to focus their efforts on activities that are truly relevant to their business.
- **Reduction and merger of reporting templates.** The final version consolidates the simplification envisaged in February, significantly reducing the number of fields required, eliminating duplication and merging the reporting templates for non-financial entities. Specific fields for energy activities related to fossil gas and nuclear energy that duplicated obligations already covered by other information blocks have also been removed.
- **Postponement of the entry into force of certain KPIs for the financial sector.** The draft published in February 2025 provided that the key performance indicators (KPIs) applicable to financial institutions relating to the trading book and fees and commissions from services other than lending would begin to apply from the 2027 financial year. However, the final version postpones their entry into force by one year,

establishing that these KPIs will be enforceable from the 2028 financial year. This change extends the adaptation period for financial institutions in relation to these specific indicators.

3. Next steps

- Following approval by the EC, the Delegated Regulation will be submitted to the European Parliament (EP) and the Council for review.
- The measures set out in this Delegated Regulation will apply from 1 January 2026 with effect on the financial year 2025.

15/07/2025

S EC - Delegated Regulation amending the ESRS for companies belonging to wave one



1. Context

The Corporate Sustainability Reporting Directive (CSRD), in force since January 2023, introduced enhanced disclosure requirements for companies subject to its scope, which must comply with the European Sustainability Reporting Standards (ESRS). These regulations are being implemented gradually, in different waves depending on the type of entity. Companies included in wave one, i.e. large public-interest companies with more than 500 employees, must submit their first report in 2025 with information relating to the 2024 financial year. To facilitate the transition, the original ESRS already included certain phasing-in provisions, specifically designed for companies with fewer than 750 employees.

In this context, the EC has adopted a Delegated Regulation on the quick fix amendment to the ESRS for companies belonging to wave one, with the aim of reducing their administrative burden. This amendment extends the phase-in period for certain reporting requirements and aligns the current obligations with the future structural review and simplification of the standards, which are currently under development.

2. Main aspects

The main changes introduced by this specific amendment to the ESRS are summarised below:

- **Extension of the exemption period for anticipated financial impacts.** All wave one companies will be able to continue to omit disclosure on anticipated financial impacts arising from sustainability issues during the 2025 and 2026 financial years. This exemption, which originally only applied to the 2024 financial year, is extended by two years in order to facilitate the first reporting cycle under the ESRS framework.
- **Extension of exemptions for companies with up to 750 employees.** Wave one companies with up to 750 employees will be able to continue to omit until 2026 several disclosures that, under the original framework, could only be omitted in 2024 or until 2025. Specifically, companies will be allowed not to report scope 3 greenhouse gas (GHG) emissions and total emissions, as well as all information required by the following standards: ESRS E4 (biodiversity and ecosystems), ESRS S1 (own workforce), ESRS S2 (workers in the value chain), ESRS S3 (affected communities) and ESRS S4 (consumers and end users).
- **Extension of exemptions to companies with more than 750 employees.** Wave one companies with more than 750 employees will also be eligible for full exemption from ESRS E4, S2, S3 and S4 standards until 2026. In addition, they may omit various specific disclosures under ESRS S1, such as information on social protection, training and development, occupational diseases, health and safety of persons not directly employed, disability, work-life balance, among others.
- **Summary disclosure requirement if the issue is material.** Even if a company claims an exemption, if it determines that a topic covered by a specific standard is material, it must include at least a summary description of its approach or management of that topic. This requirement applies in all cases and ensures a minimum level of transparency regarding topics relevant to sustainability.

3. Next steps

- The proposed amendment to the ESRS has been sent to the European Parliament (EP) and the Council of the EU, which have a period of two months (extendable) to raise objections.
- If no objections are raised, the Delegated Regulation will be published in the Official Journal of the European Union (OJEU) and will enter into force three days after its publication. The relevant changes would apply to the **2025 financial year** (information to be published in **2026**).
- The full review of the ESRS is expected to be finalised for **reports for the 2027 financial year**, at which point the new regulatory framework will apply.

31/07/2025

S **EC - Recommendation on Voluntary Sustainability Reporting Standard**
D **for SMEs**



1. Context

In recent years, the European Union (EU) has advanced a comprehensive framework for sustainable finance and corporate transparency, led by initiatives such as the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). While these rules primarily target large undertakings, their indirect impact on small and medium-sized enterprises (SMEs) has increased, particularly through value chain information requests from banks, large corporates and investors. The EU's 2023 SME Relief Package and the 2025 Single Market Strategy both acknowledge the need to ease this burden and provide tailored ESG reporting tools for SMEs. In response, the European Financial Reporting Advisory Group (EFRAG) published a proposal for a voluntary sustainability standard for SMEs (VSME) in January 2024, structured in two modules: a basic module (also applicable to micro-enterprises) and a comprehensive module for those wishing to report in greater detail.

In this context, the EC has published a **Recommendation [C(2025) 4984 final] to promote the use of a voluntary sustainability reporting standard for SMEs (VSME)**. The objective is to offer a proportionate and standardised framework for non-listed SMEs to disclose sustainability information, facilitate access to finance, and reduce reliance on bespoke questionnaires across the market.

2. Main aspects

The Recommendation includes the following aspects:

- **Voluntary reporting standard structure.** The VSME covers the main environmental, social and governance (ESG) aspects and presents the information in a structured way using thematic blocks, key indicators and illustrative templates.
- **Purpose and use cases.** The VSME is designed to help SMEs, particularly non-listed ones, respond to ESG data requests from banks, insurers, large clients, and investors. Its adoption is expected to reduce the proliferation of bespoke questionnaires and improve SMEs' access to sustainable finance.
- **Self-declaration and proportionality.** SMEs may report under the VSME on a self-declared basis, without external assurance requirements. This approach is intended to minimise administrative burden while ensuring transparency and usability of the disclosures.
- **Implementation support and guidance.** The Recommendation includes practical implementation guidance (Annex II), outlining how SMEs and micro-enterprises can apply the standard and present their information consistently.
- **Expectations for ESG data user.** Banks, corporates, insurers and other stakeholders are encouraged to align their ESG information requests with the VSME content, avoiding unnecessary or excessive demands outside the standard.
- **Promotion of digitalization.** The EC calls for Member States to support the development of digital tools, such as invoicing, that enable structured data extraction and automated reporting in line with the VSME framework.

3. Next steps

- Although the Recommendation is non-binding, it anticipates the future adoption of a delegated act establishing the VSME as a voluntary EU sustainability reporting standard for companies with up to 1,000 employees.
- This act will be adopted once co-legislators conclude negotiations on the omnibus simplification package.

29/07/2025

CL ECB - Final version of the revised Guide to internal models**1. Context**

The use of internal models by financial institutions is a fundamental pillar of the European prudential framework, allowing capital requirements to be estimated based on each institution's risk profile. To ensure consistency and robustness in the application of these models, the ECB has published its Guide on Internal Models since 2017, aimed at significant institutions under the Single Supervisory Mechanism (SSM) and intended to set out its supervisory expectations for the development, validation, use and governance of such models. In November 2024, the ECB published a consultation to amend the guidance in force since February 2024, in order to align it with Regulation No 2024/1623 on Capital Requirements (CRR III), the technical standards developed by the European Banking Authority (EBA) and the lessons learned from supervisory practice.

In this context, the ECB has published **the final version of the revised Guide on internal models**, which replaces the February 2024 version. The purpose of this update is to reflect the applicable rules under CRR III, clarify certain supervisory expectations in light of accumulated experience and improve the usability of the guide through a structural reorganization and the introduction of new thematic sections.

2. Main aspects

The final version of the guide includes the following changes compared to the consultation document:

- **Inclusion of a specific section on internal models based on machine learning.** A new section has been added, setting out for the first time the ECB's expectations regarding the use of machine learning techniques in internal models. This section, which was already subject to consultation, has been expanded in the final version to include additional requirements on version traceability, technical documentation, justification of model complexity versus performance, functional separation between development and validation teams, and the obligation to use explainability techniques tailored to different user profiles. In addition, specific requirements for the internal audit of dynamic or highly complex models have been introduced. In addition, criteria are specified regarding proportionality based on the complexity and role of the model, change management (differentiating between material and maintenance modifications), the use of robust validation techniques to prevent overfitting, the traceability of results, and the need for up-to-date skills and training in all functions involved (development, validation, auditing, and management). Requirements are also established for data governance, bias control, mathematical replicability, and conditions for the use of models developed by third parties.
- **Update of the chapter on credit risk in accordance with CRR III.** The chapter on credit risk has been updated to reflect the new CRR III requirements regarding phasing-in and permanent partial use, and to align internal validation and audit expectations with the European Banking Authority (EBA) supervisory manual on internal rating-based (IRB) systems. The responsibilities of senior management and the administrative body in relation to the preparation and submission of applications to the ECB are also clarified. Compared to the text submitted for consultation, the final version incorporates more detailed guidance on the breakdown and traceability of risk parameter estimates, particularly probability of default (PD) and loss given default (LGD), with a focus on low-default portfolios and the consistent application of criteria across entities within the same group.
- **Revision of expectations regarding the definition of default and the estimation of parameters.** The guide reinforces the supervisory interpretation of the definition of default, including clarifications on the threshold for days past due, the criteria for exiting default status and the use of external data. In addition, the guidelines on the estimation of risk parameters (PD and LGD) have been expanded, with more detailed requirements than in the consultation version, including requirements on consistency in the application of the concept of default within consolidated groups and the need to adjust models following significant regulatory or methodological changes.
- **Separation of market risk content into two separate chapters.** In line with the consultation proposal, the guide restructures the content relating to market risk into two separate chapters: one dedicated to models developed under CRR II, which remains unchanged, and another introducing supervisory expectations under the new fundamental review of the trading book (FRTB) framework of CRR III. This new chapter addresses issues such as extreme expected loss, default risk charge, unmodelable risk factors, backtesting and the profit and loss attribution test, all in the context of the double postponement decided by the European Commission (EC) (first to 2026 and now potentially to 2027). The structure has not been changed from the consultation version.

- **Extension of the counterparty credit risk chapter.** The section on counterparty credit risk incorporates a greater level of detail compared to the consultation version, including new guidance on the modelling of transactions with counterparties, the treatment of initial margins, adjustments for changes in exposure and maturities. The content related to the aggregation of exposures, scenarios with bilateral collateral review and the calibration of models in contexts of high granularity or operational complexity has also been expanded.
- **Strengthening the model risk management and internal governance framework.** The final version consolidates and expands on the proposals in the consultation regarding the organisational framework for model risk management, establishing requirements on internal policies, classification by complexity, validation and oversight processes, and minimum experience and training criteria for model owners. A new feature compared to the draft consulted is the requirement to formally designate persons responsible for each type of model, establish annual technical training plans and have structured escalation mechanisms in place for incidents or deficiencies detected by validation or internal audit.
- **Integration of climate and environmental risks into the model life cycle.** The approach introduced in the consultation is maintained, requiring entities to assess the materiality of climate and environmental risks in their internal models and, if relevant, to incorporate them as explicit risk factors. The guide establishes that this integration must be reflected both in the use of data and in the calibration of parameters and must be adequately documented in the validation and review processes.
- **Update of regulatory references and cross-cutting regulatory frameworks.** The guide updates all regulatory references to align with CRR III and the new regulatory technical standards (RTS) and implementing technical standards (ITS) developed by the EBA, as well as other regulatory frameworks.

3. Next steps

- The new version of the Guide is effective immediately and will serve as a reference document for **SREP assessments starting in 2025**.
- Entities should take the new criteria into account immediately, especially in the areas of governance, strategy, and risk management.

30/07/2025

CL ECB - Final version of the revised policies on options and discretions**1. Context**

The European legislative framework contains a significant number of options and discretions available to competent authorities for the prudential supervision of credit institutions. With a view to ensuring consistent supervisory standards and comparability between credit institutions within the Single Supervisory Mechanism (SSM), the ECB exercises options and discretions in a harmonised manner for significant institutions (SIs) and promotes the harmonised exercise of options and discretions by national competent authorities (NCAs) in relation to less significant institutions (LSIs). Between November 2014 and April 2017, the ECB developed its current policy framework for the exercise of options and discretions for the first time and reviewed it again in March 2022. The recent adoption of the Capital Requirements Regulation (CRR) III and the Capital Requirements Directive (CRD) VI has created a need to review the ECB's policies on options and discretions again. As a result, the ECB published a consultation paper on the update of the Union's policies on options and discretions in November 2024.

In this context, the ECB has published a **final version of the revised policies on options and discretions available to supervisory authorities under Union law**. The aim of the policies is to incorporate the legislative changes in the CRR III and CRD VI package and to enhance clarity, consistency and predictability in the exercise of these powers. The guide details the supervisory policies that joint supervisory teams (JSTs) will follow when assessing individual requests from significant institutions.

2. Main aspects

The final version of the policies includes the following changes compared with the previous version of the documents and the consultation documents:

- **ECB final guide on options and discretions available in Union law**. Replaces the guide published in March 2022. It incorporates the legislative changes resulting from the CRR III/CRD VI package and reinforces principles such as proportionality, equal treatment and the approach based on specific national characteristics. It clarifies that the guide is not binding, although its application is expected unless justified. Policies are updated in key areas such as prudential consolidation, classification of capital instruments, application of exemptions for liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), and treatment of exposures in the leverage ratio. With regard to the consultation document, technical clarifications are introduced in the conditions applicable to exemptions, the documentation required, and the wording on hybrid structures. Drafting adjustments and paragraph restructuring have also been made to enhance the clarity and consistency of the text.
- **Regulation ECB/2025/24 (amending Regulation ECB/2016/4)**. Amends the original 2016 regulation to adapt it to the new regulatory framework. Regulatory references are updated and the conditions for applying exemptions in consolidation and own funds are aligned. Its application to groups with mixed structures, i.e. those comprising credit institutions together with other entities not subject to full banking prudential supervision (such as mixed financial holding companies or insurance companies), is clarified. Terminological consistency is enhanced and a provision on immediate entry into force is introduced. Compared with the draft submitted for consultation, technical and editorial adjustments have been made that do not alter the substantive content.
- **Recommendation ECB/2025/26 (amending Recommendation ECB/2017/10)**. Updates the common specifications for national competent authorities (NCAs) when exercising options and discretions in relation to less significant institutions (LSIs). It introduces a new expectation for NCAs to publish their national policies aligned with those of the ECB and reinforces the principles of proportionality and consistency. Greater monitoring of individual decisions is promoted, particularly in relation to exemptions and capital instruments. Compared to the consultation document, certain formulations have been clarified to specify the scope of the expected obligations and cross-references to the guide have been strengthened.
- **Guideline ECB/2025/25 (amending Guideline ECB/2017/9)**. Amends the guideline governing the exercise of options and discretions by NCAs in relation to LSIs. Incorporates the changes introduced by the CRR III/CRD VI package and aligns its provisions with the new ECB guide. The areas where a common approach is required are clarified, regulatory references are updated, and drafting adjustments are introduced to strengthen alignment with the ECB's overall policy. Compared to the consultation draft, minor technical adjustments and greater specificity in the applicable harmonized criteria have been introduced.

3. Next steps

- The revised policies are applicable immediately.

- The guide sets out the general elements that the ECB will take into account when determining the prudential requirements applicable to significant credit institutions. Consequently, the policies contained in the guide will serve as a reference for JSTs when assessing individual applications and/or taking decisions involving the exercise of an option or discretion. Institutions are recommended to review their internal processes and related documentation to ensure that they are in line with the updated criteria.

01/08/2025

S EFRAG - Revised ESRS Exposure Drafts



1. Context

The implementation of the Corporate Sustainability Reporting Directive (CSRD) has marked a qualitative leap in disclosure requirements for European companies. The European Sustainability Reporting Standards (ESRS) were formally adopted through Delegated Regulation (EU) 2023/2772, published by the European Commission on 22 December 2023. Since their entry into force, significant challenges have been identified, including excessive reporting burdens, overlaps between requirements and methodological difficulties in the practical application of some sections. In 2024, the European Commission (EC) announced its intention to review these standards with the aim of ensuring a more proportionate implementation, especially for small and medium-sized enterprises.

In this context, EFRAG has published a set of **proposed amendments to the ESRS**, with the aim of simplifying their application, improving consistency between the different standards and aligning the requirements with other European Union (EU) regulations. In total, mandatory datapoints (to be reported if material) have been cut by 57%, and the full set of disclosures, mandatory and voluntary, reduced by 68%. The overall length of the standards has been shortened by over 55%, making ESRS more accessible and implementable, especially for companies that will be in the scope of the CSRD beyond the ones that reported already on financial year 2024.

2. Main aspects

The documents include the following amendments to the previous version of the ESRS:

- **ESRS 1 - General requirements.** The architecture of the standard has been revised to reorganise the general principles for preparing the report, moving much of the guidance content to the Non-Mandatory Materiality Guidance (NMIG). The double materiality assessment process is simplified by removing prescriptive checklists, giving companies greater flexibility to decide the most appropriate level of disclosure (by impact, risk or opportunity). Duplication with ESRS 2 is also eliminated and clearer cross-references are introduced to avoid interpretative contradictions. The principle of connectivity with financial statements is also clarified.
- **ESRS 2 - General disclosures.** The standard has been reorganised to reinforce its central role as a cross-cutting reporting framework. The sections on corporate governance (GOV), business model and strategy (SBM), and impact, risk and opportunity management (IRO) have been restructured, concentrating the requirements into fewer but more structured sections. The appendix with cross-references to thematic standards (formerly Appendix C) has been removed, as these are now only applicable if the topic is material. Requirement BP-1 (Basis for preparing the sustainability statement) has also been redesigned, incorporating elements in a declarative form rather than a list of independent data points. Redundancy with ESRS 1 has been eliminated by explicitly referring to that standard for general methodological issues.
- **ESRS E1 - Climate change.** The requirements on mitigation and adaptation targets have been simplified, prioritising alignment with the EU taxonomy and the Sustainable Finance Disclosure Regulation (SFDR). Unnecessary cross-references are removed and consistency with ESRS E2 and E3 is strengthened.
- **ESRS E2 – Pollution.** The standard is restructured to allow for more flexible presentation by type of medium (water, air, soil). Obligations are consolidated into a single disclosure requirement and explanatory content is referred to the non-mandatory guidance.
- **ESRS E3 – Water and marine resources.** Redundant disclosures on water volume and sources are removed, reinforcing the focus on significant impacts. The relationship with other environmental standards is clarified and greater scope for sector-specific methodologies is introduced.
- **ESRS E4 - Biodiversity and ecosystems.** Sections on systemic risks are removed and relocated to ESRS 2. Key concepts (such as 'direct' and 'indirect' risk) are clarified, and the reporting burden is reduced, maintaining alignment with the Global Biodiversity Framework approach.
- **ESRS E5 - Resource use and circular economy.** Specific requirements on waste hierarchy, circular design and material efficiency are removed and moved to non-mandatory guidance. Updated references to European Union legislation are incorporated, such as the Ecodesign Regulation 2024/1781 and the Right to Repair Directive 2024/1799.
- **ESRS S1 - Own workforce.** Requirements are merged and repetitive descriptions of policies and procedures are removed. Obligations on working conditions, health and safety are simplified, and consistency with ESRS 2 is strengthened.
- **ESRS S2 - Workers in the value chain.** Disclosures are centralised into a single requirement, and the number of data points is significantly reduced. Methodological content and examples are moved to the NMIG.
- **ESRS S3 - Affected communities.** Requirements on remedy mechanisms, consultation and human rights are integrated and simplified. The connection with the United Nations Guiding Principles is strengthened and duplication with ESRS 2 is avoided.

- **ESRS S4 - Consumers and end users.** A new approach to product durability and circular economy models (product as a service) is incorporated. Irrelevant requirements are removed and interrelationships with environmental standards are strengthened.
- **ESRS G1 - Business conduct.** The structure is simplified by dividing the content into policies, actions and objectives (PAOs). Redundant requirements on business ethics, bribery and whistleblower protection are removed, but remain as examples in the NMIG. Disclosures on political influence, contributions and payment practices are strengthened, and clarifications on training, risk functions and lobbying activities are introduced.

3. Next steps

- The public consultation will take place between **31 July and 29 September 2025**.
- To encourage robust dialogue, EFRAG will organise or co-organise outreach events throughout **September and October** to gather further comments before submitting its final technical advice to the EC, which is expected by **30 November 2025**.

04/07/2025

CL EIOPA - Public consultation on revised Guidelines on the Supervisory Review Process**1. Context**

The SRP, set out in Pillar II of Solvency II, requires national supervisory authorities to assess the overall situation of insurance and reinsurance undertakings, including their governance arrangements, risk profile, strategies and internal processes. In 2014, EIOPA published the first Guidelines on the SRP to harmonise its application across the EU, and has since promoted its review to improve supervisory convergence and reflect lessons learned in supervisory exercises.

In this context, EIOPA has published a **public consultation on the review of the SRP Guidelines with the aim of** updating the Guidelines by clarifying the existing instructions in light of the Solvency II review and including emerging risks in their scope.

2. Main aspects

The guidelines submitted for consultation incorporate the following new features:

- **Update and alignment with supervisory best practices.** The revised guidelines seek to ensure consistency with the latest developments in supervision and best practices since their original publication in 2015. Methodological adjustments are introduced to improve the clarity, simplicity, and applicability of the guidelines, in line with the evolution of the Solvency II framework and the changes introduced in its review.
- **Clarifications to the risk assessment framework (RAF).** More detailed specifications are included in the classification of impact and risk of insurers and groups, as well as on how these assessments should be integrated into supervisory planning. These classifications make it possible to define supervisory plans with an intensity proportional to the profile of each entity, thereby reinforcing the risk-based approach.
- **Supervisory measures and supervisory plan.** The guidelines on supervisory measures are clarified, including more robust guidance on the use of the intervention ladder and on the design of supervisory plans with minimum levels of supervisory intensity defined according to the risk profile of the institution. In addition, authorities are required to define a minimum level of supervision for all institutions and to review their plans every three years.
- **Strengthening existing practices such as the business model, inspections, and recovery.** New guidelines are introduced on the structured analysis of the business model, which must be carried out at least every three years. Procedural aspects of joint on-site inspections between supervisors are also developed, as well as early intervention measures in the event of a risk of non-compliance with capital requirements (SCR), and preventive recovery plans are integrated into the SRP.
- **Incorporation of emerging risks.** General guidance is introduced reminding competent authorities of the need to integrate the assessment of emerging risks into the SRP. In addition, specific references are included to the supervision of risks related to information and communication technologies (ICT), including the requirements of the Digital Operational Resilience Regulation (DORA), the use of supervisory technology (SupTech), and sustainability risks, including those related to climate change.

3. Next steps

- The consultation will be open until **October 2, 2025**.

28/07/2025

R EIOPA - Consultation papers on draft technical standards related to the IRRDs



1. Context

Following the 2008 financial crisis, the European Union (EU) has progressively strengthened its crisis management framework for financial institutions. In the insurance sector, this culminated in the approval of the Insurance Recovery and Resolution Directive (IRRd) in early 2025. The directive sets out harmonised rules on recovery planning, resolution planning, resolvability assessment and resolution execution for reinsurers operating in the EU. It aims to ensure the orderly resolution of failing undertakings or groups while preserving financial stability and minimising taxpayer exposure.

In this context, EIOPA has published **two consultation papers on draft regulatory technical standards (RTS) and draft implementing technical standards (ITS) under the IRRd**, with the aim of strengthening cooperation between resolution authorities and ensuring that resolution plans are based on harmonised, consistent and proportionate information.

2. Main aspects

The consultation papers present the following two proposals:

- **Draft RTS on the functioning of resolution colleges.** The RTS specify the operational organisation, governance and decision-making processes of the resolution colleges to be established for cross-border reinsurance groups within the European Economic Area (EEA). The RTS define the written arrangements and procedures necessary for the functioning of these colleges, including cooperation frameworks, the roles of members and observers, and interaction with supervisory colleges. In addition, the expected outcomes of the colleges are detailed: resolution plans, resolvability assessments and joint decisions to address substantive impediments to resolvability. A standardised joint decision-making process is introduced, structured in four stages: (i) a proposed timetable; (ii) a preliminary dialogue; (iii) a consultation on the draft decision; and (iv) formal communication of the final outcome. The RTS also include detailed procedures to be followed when an entity within a group is considered to be failing or likely to fail, covering the assessment of the need for a group resolution plan and how to manage related financing arrangements. EIOPA opts for a simplified and proportionate framework, set out in policy option A.2 of the impact assessment, which proposes a more flexible, objective-oriented structure rather than a highly prescriptive regulatory approach. This option is inspired by the banking model but adapted to the specific characteristics of the insurance sector.
- **Draft ITS on resolution information requirements.** These ITS define the procedures and minimum set of standard templates that reinsurers must submit to resolution authorities under Article 12 of the IRRd. The proposals have been developed taking into account existing reporting procedures under Solvency II and the experience of national authorities in collecting resolution-related data. The ITS aims to strike a balance between the information needs of resolution authorities and the reporting burden on insurers, requiring only essential information that is not already available. The templates cover areas such as group structure, liabilities, interconnections, critical functions and dependence on financial market infrastructures. Reports should be submitted at least every two years, with ad hoc reports possible in the event of significant changes. The biennial reporting option, corresponding to policy option A.2, proposes to require information to be provided at least every two years, in line with the minimum frequency for updating resolution plans. This alternative has been preferred to annual reporting in order to reduce the reporting burden on insurance companies while maintaining adequate alignment with the Directive.

3. Next steps

- Both consultations will be open until **31 October 2025**.
- The RTS and ITS are expected to apply in **January 2027**, coinciding with the date of application of the IRRd.

01/07/2025

S

ESAs - Consultation paper on guidelines on the integration of ESG risks in supervisory stress tests conducted by competent authorities



1. Context

Environmental, social and governance (ESG) risks have the potential to significantly impact on the stability of financial institutions and the financial system as a whole. In response to this reality, the ESAs have stepped up efforts to integrate these risks into their assessment, review and prudential surveillance processes, drawing on scenarios already developed by bodies such as the Network for Greening the Financial System (NGFS), the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). Although ESG stress testing is still in its infancy compared to traditional approaches, progress has been made in developing data and methodologies, particularly in relation to climate change.

In this context, the ESAs have published for **consultation a draft joint guideline on the integration of ESG risks in supervisory stress tests conducted by competent authorities**. The Guidelines seek to improve the legal certainty and transparency of the supervisory process, ensure methodological consistency across sectors and jurisdictions, and promote a common, proportionate and long-term approach in line with the mandates set out in the Capital Requirements Directive (CRD VI) and the Solvency II Directive.

2. Main aspects

The consultation paper includes the following key aspects:

- **Scope and purpose of the Guidelines.** The Guidelines are addressed to competent authorities in the banking, insurance and pension sectors and seek to harmonise the way ESG risks are integrated into supervisory stress tests. Although they do not make such tests mandatory, they establish common guidelines on principles, methodological design and assessment criteria. Their application will depend on sectoral legislation and the type of exercise (regular or ad hoc tests), promoting long-term consistency and supervisory convergence at European level.
- **A progressive and materiality-based approach.** The proposed methodological approach is gradual, starting with climate and environmental risks (both physical and transition risks) and progressively including other environmental risks (such as biodiversity) and eventually social and governance risks. Authorities should base the scope of the exercises on a materiality assessment that takes into account the business model, sectoral and geographical exposures, and the channels of risk transmission to traditional categories (credit, market, operational, reputational, strategic risk, etc.).
- **Methodological principles for the design of exercises.** The Guidelines provide a flexible framework for authorities to define the design of the tests based on the objective (financial or strategic resilience), choose appropriate time horizons (up to 10 years or more) and construct plausible or severe scenarios, including compound risks and second-round effects. Bottom-up, top-down or hybrid approaches are permitted. Granularity criteria (by portfolio, sector, geography, counterparty and risk category) are also detailed, and it is recommended to start with static balance sheets, with the possibility of evolving towards dynamic balance sheets for longer-term exercises.
- **Organisational and operational requirements.** Authorities should have human resources specialised in ESG risks and stress testing, ESG data collection and management capabilities, and adequate technological infrastructure. It is recommended to establish quality assurance processes, facilitate structured dialogue with participating institutions, and promote cross-sectoral and cross-border coordination, especially in financial groups with a presence in several jurisdictions.
- **Integration into the supervisory process and ongoing review.** The results of the exercises should be integrated, to the extent possible, into the supervisory cycle, serving to inform risk assessments, capital reviews and strategic decisions. Authorities may publish aggregate or individual results in accordance with sectoral regulations, taking care to ensure appropriate interpretation. The need to periodically review and update the framework, adapting it to regulatory, technical and data developments, is also established.

3. Next steps

- The public consultation period will be open until **19 September 2025**.
- The final guidelines are expected to be published **before 10 January 2026**.

11/08/2025

R SRB - Final version of the operational guidance for banks on resolvability self-assessment



1. Context

In December 2024, the SRB published the first version of the operational guide for banks on resolvability self-assessment for public consultation, with the aim of gathering input from the sector before its final adoption. This proposal defined the general framework for banks under its direct responsibility to carry out periodic resolvability self-assessment reports, in line with the expectations for banks (EfB) and the European Banking Authority (EBA) guidelines on improving resolvability.

In this context, the SRB has released the **final version of the operational guide for banks on resolvability self-assessment**, with the aim of reducing the workload imposed on banks without compromising resolvability, as part of the Single Resolution Mechanism (SRM) Vision 2028 strategy. The guide is a crucial element of bank resolvability assessments and represents a paradigm shift towards resolvability self-assessments and rigorous testing.

2. Main aspects

The final version of the operational guide includes the following changes with respect to the consultation version:

- **Scope of application.** Unlike the initial approach, which focused on resolution institutions under the direct responsibility of the SRB, the final version specifies that the self-assessment must be carried out at the level of the entire resolution group, including relevant non-resolution institutions and, in the case of multiple point of entry (MPE) strategies, in a decentralized manner by each group. For banks with a parent institution within the business unit, the submission must be centralized by the parent institution to ensure a unified approach.
- **Link to resolvability testing.** The consultation made a generic reference to the future testing program, while the final version establishes that the self-assessment will be a mandatory starting point for calibrating the 2026-2028 multi-year testing program. Internal resolution teams (IRTs) will use the reports to define which tests each bank should perform, assess their impact on the resolution strategy, and establish corrective measures.
- **Report template and structure.** The final document reinforces the annexes, with an executive summary limited to five pages and signed by the senior resolution officer, and a standardized template (in Annex II) covering seven dimensions: i) governance; ii) loss absorption and recapitalization; iii) liquidity and funding; iv) operational continuity in resolution (OCIR) and access to financial market infrastructure (FMI); v) management information systems (MIS); vi) communication; and vii) separability/restructuring. This is a much more granular development than in the consultation version.
- **Assessment methodology.** Although the consultation already proposed a four-level scale (compliant, largely compliant, materially non-compliant, non-compliant), the final version introduces an additional level of advanced capabilities, with the aim of recognizing practices that exceed the minimums. It also requires details of the tests carried out, supporting documents, and pending measures with defined deadlines.
- **Reporting frequency.** The draft under consultation contemplated annual reports, while the final version establishes that they will be biennial, unless there are material changes or the IRT requests otherwise.
- **Proportionality and transitional regimes.** The consultation included the principle of proportionality in general terms, but the final version defines three specific cases of transitional regimes. If so, please specify that these are: (i) banks whose plan changes from liquidation to resolution; (ii) newly authorized banks; and (iii) banks that transfer from the relevant national resolution authority (NRA) to the SRB. In these cases, a period of one year is granted to submit the first report and up to three years to complete the full implementation of capabilities.
- **Specific dimensions of assessment.** In the final version, several sections are expanded and detailed: i) governance (obligation to update and validate manuals); ii) minimum requirement for own funds and eligible liabilities (MREL) and bail-in (mitigation of discretionary exclusions); iii) liquidity (introduction of intraday metrics and additional scenarios); iv) operational continuity and IMF (resilient contracts and stricter contingency plans); v) and communication (greater granularity in stakeholders such as covered or uncovered depositors and counterparties).

3. Next steps

- The **first submission under the new format** must be sent to the SRB by **January 31, 2026**, referring to the situation as of December 31, 2025.
- **From 2026**, banks must participate in the 2026-2028 multi-year resolvability testing program, incorporating the results into their self-assessments.

29/09/2025

R SRB - Consultation paper on guidelines on the integration of ESG risks in supervisory stress tests conducted by competent authorities



4. Context

Since the creation of the Single Resolution Mechanism (SRM), the SRB has been developing a framework of expectations and operational guidelines to strengthen the resolvability of institutions under its remit. Documents such as the Expectations for Banks (EfB) and the guidelines on self-assessment or bail-in playbooks have set out the roadmap for ensuring that banks have the technical, governance, and planning capabilities to execute an orderly resolution in the event of a crisis. Following a public consultation in August of 2025 on how to strengthen banks' preparedness for crisis scenarios, the SRB has continued to take further steps in developing its resolvability testing framework.

In this context, the SRB has published the **final version of the operational guide on resolvability testing for banks** as a practical tool for banks to apply the revised European Banking Authority (EBA) Guidelines on resolvability, including expectations on the multi-year testing program, testing methods, internal governance, testing environments, and the conduct and monitoring of tests.

5. Main aspects

The new SRB guide establishes a detailed framework for planning, executing, and supervising resolvability tests, addressing the following main areas:

- **Proportionality and scope.** The SRB establishes that the intensity of the tests must be adapted to the size, complexity, and maturity of each bank, while maintaining a comparable level of rigor. The guide applies to all entities under the direct scope of the SRB, with international coordination in the case of groups with a presence outside the European Union (EU).
- **Test areas.** The key areas to be tested are defined: bail-in, liquidity, access to market infrastructures (FMI), operational continuity (OCIR), business reorganization plans (BRP), and solvent wind-down (SWD). Additional tests are expected to be included in the future, such as valuation, transfer strategies, separability, and communication.
- **Multi-annual testing program (MATP).** Each institution must develop a three-year testing plan that combines common exercises set by the SRB with other specific exercises determined by the resolution team (IRT). This plan is reviewed and updated annually and integrated into the resolution planning cycle.
- **Test methods.** There are three types: i) procedure reviews; ii) practical demonstrations; and iii) real-time simulations, which include surprise drills and management simulations. The choice depends on the maturity of the capabilities to be assessed.
- **Governance and testing environments.** A robust governance framework is required, involving senior management, the internal audit function, and the possibility of independent observers. Test environments must allow for realistic simulations without affecting productive operations.
- **Execution and roles.** The guide details the preparation and conduct of tests, including the need for prior material, mobilized personnel, and coordination with the IRT. Key roles include the bank, the IRT, internal auditors, and external consultants, as well as facilitators in certain exercises.
- **Deliverables and follow-up.** After each test, banks must submit standardized results reports, independent observer reports, and specific deliverables by area (e.g., liquidity templates or bail-in reports). Lessons learned should be reflected in updates to playbooks and internal plans.
- **Specific aspects of key areas.** For bail-in, banks are required to generate and deliver data within 24 hours using the minimum bail-in data template (MBDT), execute the internal and external phases of the instrument, and prepare pro-form financial statements. In BRP, banks must demonstrate the development of a simplified post-bail-in reorganization plan with financial projections and credible measures. In FMI, critical dependencies must be mapped and contingency plans with liquidity and collateral needs must be developed. In liquidity, estimates of needs, standardized reporting, and collateral mobilization must be tested. In OCIR, immediate access to data on critical services and validation of continuity plans is required. Finally, in SWD, banks must demonstrate the ability to update and execute orderly liquidation plans for trading portfolios.

Relevant Publications

Spain

24/07/2025

CL BdE - Public consultation on the amendment of Circulars 4/2017 and 1/2013

D

1. Context

The accounting and regulatory reporting framework for credit institutions in Spain is regulated by specific rules issued by the BdE, the competent authority for financial supervision. These include Circular 4/2017, which regulates public and confidential financial reporting standards and financial statement formats, and Circular 1/2013, which establishes the operating and reporting regime for the Risk Information Centre (CIR), a key tool for credit risk supervision in the financial system.

In this context, BdE has published the **Draft Circular amending Circular 4/2017 and Circular 1/2013**. The aim of the draft is to maintain alignment with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU); adapt the national framework to recent European regulations and simplify reporting through the gradual replacement of aggregate statements with granular data.

2. Main aspects

- **Accounting update in accordance with IFRS.** Changes derived from Regulations No. 2025/1047, 2025/1266 and 2025/1331 are incorporated, which amend IFRS 9 on financial instruments and affect the treatment of loans linked to sustainability objectives and new options for derecognising financial liabilities. Adjustments are also made to International Accounting Standard (IAS) 1, IAS 8 and IAS 12, including a mandatory exception to the recognition of deferred taxes related to the global minimum tax promoted by the Organisation for Economic Co-operation and Development (OECD).
- **Treatment of electricity contracts linked to natural sources.** Contracts for the purchase of electricity obtained from natural sources may be designated as hedging instruments and must be specifically disclosed in the notes if they are material. These changes will apply from the 2026 financial year, including a transitional regime that allows comparative figures not to be restated.
- **Comprehensive review of the treatment of credit risk due to country risk.** Appendix 9 of Circular 4/2017 is updated with a new classification of countries into six risk groups and a table of additional coverage percentages applicable depending on the accounting category (normal risk, special monitoring or doubtful). The application is made more flexible for entities with internal methodologies and references to repealed insolvency regimes are eliminated.
- **Simplification of confidential regulatory reporting.** Confidential statements FI 131 (credit risk coverage) and FI 141 (real estate assets awarded or received in payment of debt) are eliminated and replaced by granular data sent to the CIR. Statements FI 105 and FI 136 on derivatives are reformulated, and the reporting threshold for FI 136 is raised from EUR 10 million to EUR 500 million. Definitions such as advances other than loans and revolving loans are also revised.
- **Adaptation of Circular 1/2013 on the CIR.** New dimensions and values are incorporated into the CIR data modules, including the amount of risk not covered by collateral after-haircuts, to allow the replacement of aggregate information with granular information.

3. Next Steps

- The deadline for submitting comments to the BdE as part of the public consultation is **10 September 2025**.
- After analysing the comments received, the Bank of Spain will approve and publish the final circular in the Official State Gazette (BOE), which will enter into force on the day following its publication.
- The accounting changes relating to electricity contracts, classification of financial assets, derecognition of liabilities and initial recognition of trade receivables will apply from **1 January 2026**.
- The new financial statements will be applied for the first time with the data corresponding to **31 March 2026** (monthly and quarterly), **30 June 2026** (half-yearly) and **31 December 2026** (annual).
- The new credit risk hedging regime for country risk will apply with a reference date of **30 June 2026**.
- Reserved statements FI 131 and FI 141 will no longer be submitted as of **30 June 2026**, being replaced by granular information through the CIR.



Relevant Publications

UK

18/07/2025

S GOV.UK - UK Green Taxonomy consultation response



BANK OF ENGLAND

1. Context

The UK government has been exploring the development of a Green Taxonomy as part of its broader sustainable finance strategy, aiming to channel capital towards the net-zero transition and mitigate greenwashing. Following recommendations from the Green Technical Advisory Group (GTAG) and other stakeholders, the government launched a public consultation on 14 November 2024 to assess the value of a UK Green Taxonomy and how it might complement existing sustainable finance policies. The consultation gathered input from a wide range of financial and non-financial actors across the economy.

In this context, the UK Government has **published its consultation response on the development of a UK Green Taxonomy**, with the objective of determining whether such a tool would effectively support the goals of channeling capital towards the net-zero transition and reducing greenwashing. The response reflects the decision not to proceed, for now, with the development of a national Green Taxonomy. This decision is based on the lack of consensus among stakeholders and the existence of other frameworks already in place, such as the European Taxonomy and the UK Sustainability Disclosure Requirements (SDR).

2. Main aspects

The document includes the following key aspects that justify the decision taken by the Government:

- **Comments from stakeholders and lack of consensus.** The consultation received 150 responses from a wide range of stakeholders, predominantly from the financial sector. According to the document, 45% were in favor of developing a national Green Taxonomy, particularly valuing its usefulness as a common language for identifying sustainable activities. However, 55% expressed mixed or negative views, with doubts about its practical applicability and its real ability to meet the proposed objectives. In addition, 33% of respondents considered that other instruments, such as SRS requirements, transition plans, or sectoral roadmaps, would be more effective in mobilizing capital and combating greenwashing.
- **Assessment of value and practical use cases.** Some respondents, particularly from sectors such as energy, nuclear, and waste, supported the taxonomy as a tool to guide investments. However, most financial institutions perceived it as a classification tool with little influence on actual investment decisions. Suggested uses included its application in green bond issuance or as a reference for fund labeling. Only 8% linked it to the Financial Conduct Authority's SRS disclosure regime, and 6% highlighted its usefulness for designing financial instruments. In general, it was noted that existing frameworks, such as the EU Taxonomy, the International Capital Market Association (ICMA) Green Bond Principles, and the Climate Bond Initiative (CBI) taxonomy, already largely fulfill this function.
- **Design, interoperability, and voluntary implementation challenges.** According to the consultation responses, 66% of respondents expressed interest in a future UK taxonomy being aligned with the EU taxonomy in terms of structure and objectives. However, concerns were also raised about the complexity of the European model, particularly with regard to the principle of no significant harm (DNSH). Additionally, 40% argued that any future UK taxonomy should be voluntary, in contrast to the obligations imposed by the EU framework. With regard to transition financing, many respondents stressed the need to include transitional activities, through approaches such as traffic light systems or enabling categories. However, the risks of adding further complexity and the implementation challenges associated with such designs were acknowledged.
- **Final assessment by the government and decision.** The Executive concludes that there is insufficient evidence that a UK Taxonomy could, at this stage, mobilize capital or reduce greenwashing in a manner that is effective and proportionate to the effort required. While recognizing its potential value as a reference, it warns that its development would involve significant resources and could divert attention from more effective policies. It has therefore decided not to proceed with its development at this stage.

Relevant Publications

México

12/09/2025

SHCP - General Economic Policy Criteria 2026



1. Context

The Economic Package is the set of documents that the Federal Executive presents to the Congress of the Union each year, consisting of the General Economic Policy Criteria (CGPE), the Federal Revenue Law (LIF) and the Federal Expenditure Budget Project (PEF). These instruments define the path of Mexico's fiscal and budgetary policy by establishing macroeconomic projections, revenue and debt targets, and public spending guidelines. Their approval is a key element in providing certainty to markets, investors and financial planning in different economic sectors.

In this context, the SHCP has published the General Economic Policy Criteria 2026, which seeks to strengthen revenue collection, ensure the sustainability of public finances and reinforce the stability of the financial system. The document incorporates fiscal measures of particular relevance to banking institutions, including the elimination of tax benefits linked to the Institute for the Protection of Bank Savings (IPAB) levy and an increase in income tax (ISR) withholding on interest, as well as regulatory reforms aimed at strengthening savings protection and preventing money laundering.

2. Main aspects

The Economic Package includes the following sections:

- **Economic environment.** The Package is based on a scenario of moderate growth for 2026, with GDP expansion estimates that seek to consolidate the economic recovery after the slowdown observed in recent years. Gradual inflation control, a stable exchange rate and prudent assumptions for oil prices are anticipated, which reinforces the credibility of the official projections. The approach emphasises the importance of maintaining macroeconomic discipline and preserving the stability of fundamental indicators as a necessary condition for sustaining growth and investor confidence.
- **Economic policy guidelines for 2026.** The SHCP defines a policy geared towards revenue collection and fiscal prudence, introducing measures with direct effects on the financial sector. Of particular note is the elimination of the deduction of the IPAB levy from income tax, which will mean that banks will not be able to reduce this payment from their tax base, thus affecting their capitalization levels and increasing their tax burden. Likewise, the income tax withholding rate applicable to interest is increased, a measure that increases revenue but entails a higher cost for savers and investors, and forces financial institutions to make adjustments to their operational withholding processes. Complementarily, actions to protect savings and prevent money laundering and terrorist financing are being strengthened with the announcement of amendments to the General Provisions that seek to consolidate a more robust regulatory framework aligned with international supervision and compliance standards.
- **Economic evolution of public finances in the medium term.** The document sets out a revenue and expenditure trajectory that seeks to preserve fiscal sustainability and avoid structural imbalances. Revenue collection is projected to grow steadily thanks to the fiscal adjustments included in the LIF 2026, while expenditure is concentrated on social programmes, infrastructure and government priorities, with an explicit effort to contain the deficit and stabilise public debt in relation to GDP. The strategy aims to reinforce confidence in the soundness of public accounts, while preserving room for manoeuvre to address external shocks and maintain favourable conditions for Mexican government financing in international markets.

3. Next steps

- Implementation is scheduled for **1 January 2026**.

15/09/2025

CL DOF - Resolution amending the General Provisions applicable to credit institutions

**DIARIO OFICIAL
DE LA FEDERACION**
ORGANO DEL GOBIERNO CONSTITUCIONAL DE LOS ESTADOS UNIDOS MEXICANOS

1. Context

In accordance with Article 78 of the General Law on Regulatory Improvement and with the aim of reducing compliance costs, in 2021, the CNBV issued a Resolution that modified the methodologies used by multiple banking institutions to estimate preventive reserves and credit portfolio ratings, adjusting risk parameters in terms of probability of default and severity of loss for residential mortgage loans granted to women. Subsequently, the need to make further adjustments to the accounting framework was identified, in particular to incorporate the recording of the valuation of long-term capital investments, reduce the volatility in results derived from unrealised valuations and ensure convergence with the Financial Reporting Standards (NIF).

In this context, the SHCP and the CNBV have published in the DOF a **Resolution modifying the accounting and financial reporting criteria applicable to credit institutions**. The purpose of the publication is to update and clarify the rules governing the recognition, valuation, presentation and disclosure of banking operations, in order to strengthen the transparency, consistency and comparability of financial statements in the financial system.

2. Main points

The main new features introduced by the Resolution are as follows:

- **Series A on criteria relating to the general accounting framework for credit institutions.** The rules of general application are clarified, establishing mandatory compliance with the CNBV's accounting criteria and the NIF in the absence of specific provisions. Guidelines are added on the initial recording and subsequent valuation of transactions, including how certain assets and liabilities should be recognised from their origin. Requirements are incorporated in the preparation, detail and consistency of the explanatory notes to the financial statements. Provisions for the accounting treatment of common transactions are standardised, and wording is updated to align criteria with recent amendments to the NIF.
- **Series B on criteria relating to the concepts that make up the financial statements.** Various subsections are updated to detail how institutions should apply NIFs in banking transactions. Notable new features include: the incorporation of guidelines for recording inflationary and exchange rate effects, the updating of criteria for discontinued operations and securitizations, clarifications in the determination of the fair value of financial instruments, and adjustments in the accounting treatment of provisions, income, and employee benefits. These changes seek to standardize practices and ensure that reports more accurately reflect the risks and results of entities.
- **Series C on criteria applicable to specific concepts (securitisation transactions).** The requirements for the recognition and derecognition of securitised assets are reinforced, as are the valuation of transferred portfolios and the disclosure of risks retained by the originator. Likewise, various subsections that had become outdated in light of the current accounting framework are repealed, eliminating duplicate references and methodologies that were no longer applicable in practice. In this way, the regulations are simplified and adjusted to criteria more consistent with the NIF.
- **Series D on criteria relating to basic financial statements.** The formats and minimum content of financial statements (Statement of Financial Position, Income Statement, Statement of Changes in Shareholders' Equity and Cash Flow Statement) are standardised. The main change is the requirement for greater breakdown into significant items and the obligation to maintain consistency between all statements, reinforcing the transparency and comparability of information.

3. Next steps

- This Resolution shall enter into force on **1 January 2026**.

Relevant Publications

Perú

01/09/2025

CL SBS - Resolution establishing new regulations on the classification and valuation of investments by companies in the financial system



1. Context

The General Law on the Financial System and the Insurance System (Law No. 26702) grants the Superintendency of Banking, Insurance and Private Pension Fund Administrators the power to issue accounting and prudential standards to ensure the proper preparation and presentation of the financial statements of supervised entities, as well as the correct valuation of their investments. Within this framework, the SBS seeks to ensure that local regulations are consistent with international standards, in particular with International Financial Reporting Standards (IFRS), contributing to transparency, reliability of information and stability of the financial system.

In this context, SBS has published the **Resolution No. 2664-2025**, which approves the new **Regulations on the Classification and Valuation of Investments by Financial System Companies**. The main objective of this reform is to harmonise accounting criteria with IFRS, specifying the classification of investments, the treatment of impairment and the methodology for measuring expected credit losses.

2. Main points

The Resolution includes the following aspects of the new Regulations:

- **Classification of investments.** The SBS develops the structure of accounting categories under different business models: those aimed at maintaining investments to obtain contractual cash flows, those that combine contractual flows and asset sales, as well as other business models. Likewise, Spread of Payouts over Time (SPPI) tests are introduced, and the categories of recognition are detailed as investments at amortised cost, investments at fair value through other comprehensive income, investments held for trading, designated at fair value, mandatorily measured at fair value, and those held in subsidiaries, associates, and joint ventures.
- **Initial recognition and subsequent measurement.** The rules for initial and subsequent recognition are specified for each category: from investments at amortised cost to those measured at fair value under different modalities (with changes in ORI, with changes in results, designated or mandatory), as well as the criteria applicable to investments in subsidiaries, associates and joint ventures. The approach seeks to ensure consistency in accounting treatment in accordance with the objective of the business model and the nature of the instrument.
- **Fair value.** The importance of fair value as a measurement basis is reinforced, establishing accepted valuation techniques, the hierarchy that distinguishes between level 1, 2 and 3 input data, and the criteria for selecting assumptions in the absence of observable market prices.
- **Impairment.** An approach based on expected credit losses is introduced, structured in stages that reflect the evolution of credit risk. Issues such as the assessment of significant increases in risk, the treatment of debt instruments with initial credit impairment, and the allocation of assets to stages of impairment are addressed. Methodologies are also established for determining PD, EAD and LGD, including the use of internal or externally provided models, as well as the incorporation of forward-looking adjustments. The chapter also regulates the impairment of investments in subsidiaries, associates and joint ventures.
- **Reclassification and Custody.** The regulation contemplates the possibility of reclassifying investments when the business model changes, detailing the accounting effects of such decisions. It also regulates the conditions for the custody of financial instruments, differentiating between local and foreign operations and establishing reporting obligations with respect to the custodial institutions used.
- **Intermediation and trading modalities.** The rules on the intermediation of investment instruments are specified, including specific prohibitions and safeguards against conflicts of interest. In addition, the minimum infrastructure requirements for trading, execution and control procedures, as well as obligations relating to the confirmation and settlement of transactions, are defined, reinforcing transparency and mitigating operational risks.

3. Next steps

- The date of entry into force of the new regulation is **1st January 2027**.

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:

Global	49
European Region	50
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Other publications of interest

Global

IASB · Amendments to IFRS 19 to complete catch-up work

(08/21) · Finance - Accounting

The International Accounting Standards Board (IASB) has published amendments to the International Financial Reporting Standard (IFRS) 19 Subsidiaries without Public Accountability: Disclosures, finalizing its planned catch-up work on the Standard. IFRS 19, originally issued in May 2024, allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosures. The new amendments extend these reduced disclosure requirements to cover Standards and amendments issued between February 2021 and May 2024, including IFRS 18, amendments on supplier finance arrangements, international tax reform (Pillar Two rules), lack of exchangeability, and classification and measurement of financial instruments. With these changes, IFRS 19 now reflects all IFRS updates effective up to 1 January 2027, when the Standard becomes applicable. The IASB confirmed that future updates to IFRS 19 will be made in parallel with the issuance or revision of other IFRS Standards. ([more detail](#))

NAIC · Adoption of key initiatives to help ensure payment of claims

(08/21) · Finance - Financial Conglomerates

The National Association of Insurance Commissioners (NAIC) has published the adoption of three key initiatives aimed at strengthening consumer protection by ensuring that insurers can meet their obligations to policyholders. Approved during the NAIC Summer National Meeting, the initiatives include: i) a new Generator of Economic Scenarios (GOES) to better reflect both low and rising interest-rate environments in reserve and capital calculations; ii) updated principle-based reserving requirements for non-variable annuities to more accurately capture risk and reinforce sound risk management; and iii) Actuarial Guideline 55, mandating enhanced disclosures on certain reinsurance contracts to ensure adequate reserves remain after risk transfers. These measures will be integrated into insurers' regulatory frameworks to enhance resilience and support long-term claim-paying ability and shall be effective for asset adequacy analysis of the reserves reported in the December 31, 2025. ([more detail](#))

ISO · Framework for identity management and information security, cybersecurity and privacy protection

(09/16) · Cyber

The International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) have released the third edition of ISO/IEC 24760-1, which sets out the framework for identity management. This standard defines key concepts and terminology relevant to systems handling identity information, offering a consistent foundation for designing, implementing, and assessing identity management services across public and private sectors. It also addresses essential aspects such as entity representation, identity attributes, and trust relationships between parties. This edition replaces the previous 2019 version and expands its scope to reflect more current approaches to security and privacy. ([more detail](#))

Other publications of interest

European Region

EC · Regulation 2025/532 supplements Regulation 2022/2554 by specifying what financial entities must assess when outsourcing critical or important ICT services

(07/01) · Technology · Suppliers

The European Commission (EC) has adopted Delegated Regulation 2025/532, supplementing Regulation 2022/2554 on digital operational resilience for the financial sector (DORA), establishing regulatory technical standards (RTS) specifying the elements that a financial entity must determine and assess when subcontracting information and communication technology (ICT) services supporting critical or important functions. The regulation emphasizes the need for financial entities to identify and monitor the entire chain of subcontractors providing essential ICT services, assess associated risks, and ensure that subcontracting does not diminish the ultimate responsibility of management bodies in risk management and regulatory compliance. These provisions will enter into force on July 22, 2025. ([more detail](#))

EC · Clean Industrial Deal first package of measures

(07/02) · Sustainability

The European Commission (EC) published the first package of measures under the Clean Industrial Deal, a comprehensive strategy to accelerate the decarbonisation of European industry and strengthen its competitiveness. The package includes a communication on the deal's progress, recommendations on tax incentives to support industrial transition, guidelines for the deployment of innovative renewable technologies, and guidance on future-proof network charges. These initiatives are intended to facilitate investment in clean technologies, promote electrification, and enhance energy infrastructure, contributing to the European Union (EU)'s 2040 climate targets. The CE will continue implementing further actions of the Clean Industrial Deal in the coming months. ([more detail](#))

SRB · Update to the operational guide on the solvent settlement of trading books

(07/02) · Recovery and resolution

The Single Resolution Board (SRB) has updated its operational guidance on the solvent wind-down of trading books, introducing greater proportionality and flexibility. This update replaces the 2021 guidance and aims to enhance the resolvability of banks with significant trading activities. The new guidance removes references to transitional phases, simplifies the structure, and clearly distinguishes between the solvent wind-down plan (SWD plan) and the operational playbook (SWD playbook), allowing for a more tailored approach based on each entity's risk profile. Banks are expected to develop capabilities to plan and execute an orderly wind-down of their trading activities, including detailed analyses of their portfolios, exit strategies, impact on capital and liquidity, and clear operational procedures. This guidance applies to entities under the SRB's remit with material trading activities, including globally systemically important banks and other entities identified by their internal resolution teams. ([more detail](#))

EBA · Final Guidelines on acquisition, development or construction (ADC) exposures

(07/03) · Risks and capital

The European Banking Authority (EBA) has published its final guidelines on acquisition, development or construction (ADC) exposures to residential properties under the standard credit risk approach, with the aim of harmonizing the classification of these exposures across the European Union (EU), clarifying the risk mitigation conditions that allow a 100% risk weight to be applied, and ensuring consistent application of the prudential framework by institutions. The guidelines shall apply from two months after their publication in all official languages of the EU. National authorities must communicate to the EBA within two months whether they will apply the guidelines or justify their non-compliance. Otherwise, they will be considered non-compliant. The EBA will publish the notifications on its website. ([more detail](#))

EBA · Draft Guidelines on the methodology to estimate and apply credit conversion factors under CRR

(07/04) · Risks and capital

The European Banking Authority (EBA) has launched a public consultation on draft guidelines on the methodology for estimating and applying credit conversion factors (CCFs) under the Capital Requirements Regulation (CRR), with the aim of providing a harmonized methodology for the estimation and application of the internal ratings-based IRB-CCF approach. These guidelines aim to ensure methodological consistency with existing EBA guidance on probability of default (PD) and loss given default (LGD), promote supervisory convergence, and strengthen the robustness of internal models across the European Union (EU) banking sector. The consultation period will remain open until October 15, 2025. ([more detail](#))

EBA · Consultation on draft amended guidelines on the application of the definition of default under CRR

(07/02) · Risks and capital

The European Banking Authority (EBA) has published a consultation on amended guidelines on the application of the default definition under CRR, with the aim of clarifying certain aspects of the definition and aligning it with current accounting and supervisory frameworks to ensure consistent application across the European Union (EU). As part of its commitment to financial stability, transparency, and consistency, the EBA proposes to maintain the current threshold of 1% for net present value loss in debt restructuring, thereby seeking to balance flexibility for institutions with the need to maintain sound risk management standards. Responses to this consultation can be submitted until October 15, 2025. A public hearing will be held by conference call on September 3, 2025. The deadline for registration is August 29, 2025. ([more detail](#))

EBA • Hotfix for Reporting Framework 4.1

(07/03) • Risks and capital • Reporting

The European Banking Authority (EBA) published a hotfix for Reporting Framework 4.1 to address various technical issues identified in the initial release. The update includes key corrections to ensure the consistency and accuracy of reporting requirements and is accompanied by a detailed list of resolved issues, as well as outstanding items to be addressed in the upcoming version 4.2. Additionally, the EBA has announced a postponement of the mandatory use of the new xBRL-CSV reporting format, shifting its effective date from December 2025 to March 2026, giving institutions more time to adjust their systems accordingly. ([more detail](#))

EIOPA • Public consultation on revised Guidelines on the Supervisory Review Process

(07/04) • Risks and capital

The European Insurance and Occupational Pensions Authority (EIOPA) has published a public consultation on the review of the Supervisory Review Process (SRP) Guidelines with the aim of updating the Guidelines by clarifying the existing instructions in light of the Solvency II review and including emerging risks in their scope. The consultation will be open until October 2, 2025. ([more detail](#))

EC • Delegated Regulation amending the delegated acts adopted under the Taxonomy Regulation

(07/04) • Sustainability

The European Commission (EC) has launched a proposal to create an optional EU-wide legal framework that would allow innovative companies to operate throughout the European Union (EU) under a single, harmonised set of rules in areas such as company law, insolvency, labour, and taxation. This initiative, known as the 28th regime, forms part of the Competitiveness Compass and responds to previous recommendations such as those in the Letta and Draghi reports, as well as the EU's Startup and Scale-up strategy. It targets small and medium-sized enterprises (SMEs) that develop or apply new ideas, products or processes, in line with the EU's innovation and entrepreneurship agenda. The voluntary regime is expected to benefit approximately 182,000 innovative SMEs. The official launch of the proposal is expected between Q4 2025 and Q1 2026, with an entry into force foreseen in 2026 or 2027. The goal is to reduce compliance costs, simplify regulation and foster cross-border growth. ([more detail](#))

EC • Final Delegated Act amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts

(07/04) • Sustainability

The European Commission (EC) has published the final Delegated Regulation amending the delegated acts on disclosure and technical criteria linked to Regulation 2020/852 on taxonomy for sustainable finance, which is one of the proposals in the European Union (EU)'s Omnibus legislative package. The aim of this publication is to simplify and streamline reporting obligations, reduce the administrative burden on reporting institutions, and improve the legal and technical clarity of the framework, while maintaining its environmental coherence and alignment with the objectives of the European Green Deal. Following its approval by the EC, the Delegated Regulation will be sent to the European Parliament (EP) and the Council for review. The measures set out in this Delegated Regulation will apply from January 1, 2026, with effect on the financial year 2025. ([more detail](#))

EBA • Consultation on draft Guidelines on Ancillary Services Undertakings

(07/07) • Governance • Risks and capital

The European Banking Authority (EBA) has launched a public consultation on its draft Guidelines on Ancillary Services Undertakings (ASUs). These guidelines set out clear, simple, and consistent criteria to identify which activities qualify as a direct extension of banking and which are ancillary to banking under Article 4(1)(18) of the Capital Requirements Regulation (CRR). The aim is to promote convergence in prudential scope, support consolidated oversight of banking groups, and ensure a level playing field across the European Union (EU). The consultation is open until 7 October 2025, with an online public hearing scheduled for 2 September 2025. After assessing feedback, the EBA will publish the final versions in all EU official languages; following that, member-state supervisors will have two months to confirm their compliance. ([more detail](#))

EC • Public consultation on the European Innovation Act

(07/08) • Technology

The European Commission (EC) has launched a public consultation on the European Innovation Regulation, one of the key elements of the European Union's (EU) strategy for startups and scale-ups. The aim is to make it easier for innovative companies to access markets, financing, talent, and infrastructure more quickly through measures such as simplifying regulations, enabling regulatory testing spaces, and harmonizing access to technology infrastructure. In addition, the Regulation will promote a common definition of startups, scale-ups,

and innovative companies and establish tools to measure their evolution, such as a European scoreboard and annual surveys. The consultation is open until September 30, 2025, after which the Act will be drafted with a view to its adoption in the first quarter of 2026. ([more detail](#))

EC · Public consultation on a single harmonized set of rules for innovative companies throughout the EU

(07/08) · Technology

The European Commission (EC) has launched the 28th regime initiative, proposing an optional European Union (EU)-wide legal framework that would allow innovative companies to operate under a single harmonized set of rules in the fields of corporate, insolvency, labor, and tax law. This proposal is part of the Competitiveness Compass and builds on recommendations from the Letta and Draghi reports, as well as the EU Startup and Scale-up Strategy. It is estimated that approximately 182,000 innovative SMEs could benefit from this regime. The official proposal is expected between Q4 2025 and Q1 2026, with implementation foreseen in 2026 or 2027, aiming to reduce costs, simplify compliance, and promote cross-border growth. ([more detail](#))

EDPB · Targeted modifications of the GDPR involving the simplification of record keeping obligations and request further clarifications

(07/08) · Technology

The European Commission (EC) has proposed a specific amendment to the General Data Protection Regulation (GDPR), included in the fourth Omnibus package, with the aim of simplifying the obligations to keep a Record of Processing Activities (RPA) under Article 30(5) of the GDPR. In response to this proposal, the European Data Protection Board (EDPB) and the European Data Protection Supervisor (EDPS) have issued a joint opinion supporting the exemption for small and medium-sized enterprises (SMEs) and small and medium-sized companies (SMCs), broadening its definition and applicability. They also raise concerns about the 750-employee threshold and request further clarification on the exclusion of public authorities. The entities consider that the measures would alleviate the administrative burden on SMEs and SMCs without compromising the principles of the GDPR. ([more detail](#))

EBA · Consultation on draft Guidelines on third-party risk management with regard to non-ICT related services

(07/08) · Risks · Suppliers

The European Banking Authority (EBA) has launched a public consultation on its draft guidelines for the sound management of third-party risk concerning non-information and communication (ICT) related services. These guidelines update the 2019 outsourcing framework and align it with the Digital Operational Resilience Act (DORA). They cover the full life cycle of third-party arrangements: risk assessment, due diligence, contractual phase, subcontracting, monitoring, exit strategies and termination, applying proportionality principles. Institutions may maintain a unified register for both ICT and non-ICT services, and have a two-year transitional period to review and update agreements and records. The consultation is open until 8 October 2025, with a virtual public hearing on 5 September 2025. ([more detail](#))

EBA · Consultation on draft RTS amending the RTS on own funds and eligible facilities

(07/09) · Risks

The European Banking Authority (EBA) has published a consultation paper to amend the regulatory technical standards (RTS) on own funds and eligible liabilities. The main objective is to adjust and clarify technical aspects of the prior authorisation process for the reduction of instruments eligible as capital or eligible liabilities for MREL (Minimum Requirements for Own Funds and Eligible Liabilities) compliance, in light of recent supervisory experience. Among the proposed changes are a reduction in the minimum notification period to three months, improvements in coordination between competent and resolution authorities, and the elimination of the simplified procedure for entities in liquidation. The consultation is open until 9 October 2025, and a public hearing will be held on 2 September. ([more detail](#))

EBA · Consultation on oversight on greenwashing risks

(07/09) · Sustainability

The European Banking Authority (EBA) has launched a public consultation on the revision of its product oversight and governance (POG) Guidelines for retail banking products, aiming to incorporate ESG (Environmental, Social and Governance) features and address greenwashing risks. The proposed amendments include expanding the scope to ESG products and consumer credit, embedding ESG considerations into product design, approval and review, setting new expectations on staff training and distributor communication, and reinforcing transparency requirements for sustainability-related claims. Comments may be submitted until October 9, 2025. ([more detail](#))

EIOPA · Consultation on amendments to supervisory reporting and public disclosure requirements under Solvency II

(07/10) · Capital and solvency

The European Insurance and Occupational Pensions Authority (EIOPA) has launched a public consultation on amendments to the supervisory reporting and public disclosure requirements under the Solvency II framework. The package includes amendments to the implementing technical standards (ITS), as well as draft rules on

financial stability reporting and supervision of third-country insurance branches. The main objective is to reduce the reporting burden on insurance and reinsurance companies by at least 25% by reducing the frequency of submission of some templates, eliminating annual forms, and applying proportionality principles (i.e., tailoring the intensity of reporting to the size and risk profile of the entity). Adjustments resulting from the Solvency II Level 1 and 2 review, error corrections and new reporting requirements on pensions and natural disasters are also incorporated. The consultation will be open until October 10, 2025. ([more detail](#))

EIOPA · Opinion to enhance the supervision of occupational pension funds' liquidity risk management
(07/10) · Risks and capital

The European Insurance and Occupational Pensions Authority (EIOPA) has issued an opinion aimed at enhancing the supervision of liquidity risk management for Institutions for Occupational Retirement Provision (IORPs), in order to strengthen financial stability and safeguard members and beneficiaries. The opinion requires national supervisors to assess IORPs' liquidity exposures, ensure integration of liquidity risk into governance frameworks, conduct cash flow stress testing, maintain adequate buffers of liquid assets, and apply a proportionate approach based on entity size and complexity. The measure is in response to increased margin calls from derivatives and draws on insights from recent episodes of market stress. The opinion takes immediate effect and is addressed to national competent authorities under Article 29 of the EIOPA Regulation, following a public consultation held between September and December 2024. ([more detail](#))

EC · Delegated Regulation amending the ESRS for companies belonging to wave one
(07/11) · Sustainability

The European Commission (EC) has adopted a proposal for a Delegated Regulation introducing a quick fix to the European Sustainability Reporting Standards (ESRS) applicable to wave one companies under the CSRD, with the aim of reducing their administrative burden. The text extends until 2026 certain exemptions already provided for in the original ESRS, including the omission of information on scope 3 greenhouse gas emissions, social aspects and biodiversity, depending on the size of the company. Although companies will still have to apply the current ESRS in their 2024 report, the changes will apply to the 2025 financial year (information to be published in 2026). ([more details](#))

EBA · Consultations on regulatory products on third-country branches under the Capital Requirements Directive
(07/14) · Risks and capital · Governance

The European Banking Authority (EBA) has launched three public consultations on regulatory measures for third-country branches under the Capital Requirements Directive (CRD). These include: i) draft regulatory technical standards (RTS) on booking arrangements and on supervisory cooperation and colleges; as well as ii) draft Guidelines on capital endowment requirements. The aim is to harmonize the implementation of the new EU framework for third-country branches, enhancing comparability across member states and improving supervisory collaboration. The consultations are open until October 10, 2025, and a virtual public hearing is scheduled for September 1, 2025. ([more detail](#))

EIOPA · Consultation on revised Guidelines on exchange of information within colleges
(07/14) · Reporting

The European Insurance and Occupational Pensions Authority (EIOPA) has launched a public consultation on the revision of its guidelines on the exchange of information within colleges of supervisors. This initiative aims to update the 2010 guidelines to align them with the Solvency II Directive and incorporate regulatory, operational, and governance developments in the cooperative framework between national competent authorities (NCAs). Proposed changes include enhanced communication practices, strengthened joint work planning, and improved conflict management. Stakeholders are invited to submit comments by 14 October 2025. ([more detail](#))

EIOPA · Consultation papers on draft technical standards related to the IRRD
(07/14) · Recovery and resolution

The European Insurance and Occupational Pensions Authority (EIOPA) has published two consultation papers on draft regulatory technical standards (RTS) and implementing technical standards (ITS) under the Insurance Recovery and Resolution Directive (IRRD), with the aim of strengthening cooperation between resolution authorities and ensuring that resolution plans are based on harmonized, consistent, and proportionate information. Both consultations will be open until October 31, 2025. These RTS and ITS will apply from January 2027, coinciding with the date of application of the IRRD. ([more detail](#))

EIOPA · Guidance on the supervision of mass lapse clauses, reinsurance and termination clauses in insurance contracts
(07/16) · Risks and capital

The European Insurance and Occupational Pensions Authority (EIOPA) has issued guidance to national competent authorities on supervising mass lapse provisions, reinsurance, and reinsurance termination clauses. The aim is to ensure a consistent assessment of the risks these contractual features may pose to financial stability and consumer protection. EIOPA outlines criteria for identifying, analysing, and supervising such clauses, particularly under stressed market conditions. While not legally binding, the guidance is intended to serve as a reference for national supervisory practices. ([more detail](#))

EBA · Handbook on simulation exercises for resolution authorities

(07/16) · Risks and capital · Recovery and resolution

The European Banking Authority (EBA) has published a handbook for resolution authorities on planning and conducting crisis simulation exercises. The handbook offers practical guidance on how to design, prepare, and evaluate such exercises, aiming to improve operational readiness, coordination between authorities, and the effectiveness of bank resolution planning. It covers various formats, including tabletop and live simulations, and promotes best practices aligned with the European Union (EU)'s resolution framework. This initiative supports the EBA's mandate to enhance consistency and readiness among resolution authorities. [\(more detail\)](#)

ESAs · Guide on DORA Oversight activities

(07/16) · Technology

The European Supervisory Authorities (ESAs) have published joint guidance on supervisory activities under the Digital Operational Resilience Regulation (DORA). The document provides details on how the ESAs will exercise their supervisory functions over critical information and communication technology (ICT) service providers, including the processes for designation, risk assessment, inspections, and corrective measures. This guidance serves as an operational reference for the implementation of the supervisory framework that entered into force in January 2025. [\(more detail\)](#)

EC · Public consultation on methodologies for certifying permanent carbon removals

(07/17) · Sustainability

The European Commission (EC) has launched a public consultation on methodologies for the certification of permanent carbon removals and carbon farming practices, within the framework of the Carbon Removal Certification Regulation (CRCF). This initiative aims to establish scientific and verifiable criteria for accrediting the long-term capture and storage of carbon, whether through technological or natural solutions. The consultation covers aspects such as additionality, measurement, and durability of storage, and is aimed at experts, operators, public authorities, and stakeholders in the climate sector. Comments may be submitted until September 22, 2025. [\(more detail\)](#)

EC · Call for evidence on the Digital Justice Regulation aimed at online consumer protection

(07/17) · Technology · Governance

The European Commission (EC) has launched a call for evidence on the Digital Justice Regulation, which aims to ensure that consumers are protected against unfair practices in the digital environment. The initiative focuses on addressing risks such as manipulation through misleading interfaces, the abusive use of personal data in automated decisions, and the lack of transparency in algorithms and digital services. The consultation seeks to gather opinions from citizens, businesses, authorities, and consumer organizations to define possible legislative measures. Comments may be submitted until October 9, 2025. [\(more detail\)](#)

EC · Review of technical rules for insurance and reinsurance firms under Solvency II

(07/17) · Capital/Solvency

The European Commission (EC) has launched a public consultation on the review of technical rules applicable to insurance and reinsurance undertakings under the Solvency II Directive. The review aims to update the delegated acts and regulatory technical standards in light of market developments, methodological advances, and practical implementation experience. Key areas include the calibration of risk assumptions, valuation rules for liabilities, and governance requirements. The consultation targets authorities, insurers, technical experts, and stakeholders, and feedback can be submitted until 9 September 2025. [\(more detail\)](#)

EC · Consultation on European Climate Law amendment

(07/22) · Sustainability

The European Commission (EC) has proposed an amendment to the European Climate Law to incorporate the new target of reducing net greenhouse gas emissions (GHG) by at least 90% by 2040, compared to 1990 levels. This amendment is part of the process of updating the legal framework to align the European Union's (EU) climate commitments with the European Green Deal and the scientific opinion of the European Climate Advisory Board. The public consultation on the proposal will be open until September 15, 2025. [\(more detail\)](#)

EC · Targeted consultation on the treatment of equity exposures incurred under legislative programmes in CRR

(07/22) · Capital, liquidity and leverage

The European Commission (EC) has launched a specific consultation on the treatment of equity exposures under the Capital Requirements Regulation (CRR), as part of its 2025 legislative program. The aim is to gather views on the adequacy of the current prudential treatment of these exposures and on possible regulatory reforms to strengthen proportionality and support the development of capital markets in the European Union (EU). The consultation addresses issues related to differentiation by type of institution, the treatment of strategic and long-term investments, and the role of the Basel framework. The consultation will be open until September 8, 2025. [\(more detail\)](#)

ECB · Final version of the revised Guide to internal models

(07/28) · Capital, liquidity and leverage

The European Central Bank (ECB) has published the final version of the revised Guide to internal models, which replaces the February 2024 version. The purpose of this update is to reflect the applicable rules under Regulation 2024/1623 on Capital Requirements (CRR III), clarify certain supervisory expectations in light of accumulated experience, and improve the usability of the guide through a structural reorganization and the introduction of new thematic sections. The new version of the Guide is applicable immediately and will serve as a reference document in SREP assessments from 2025 onwards. Institutions should take the new criteria into account as of now, particularly in the areas of governance, strategy, and risk management. ([more detail](#))

EFRAG · Revised ESRS Exposure Drafts

(07/30) · Sustainability

The European Financial Reporting Advisory Group (EFRAG) has published a set of proposed amendments to the ESRS, with the aim of simplifying their application, improving consistency between different standards, and aligning the requirements with other European Union (EU) regulations. In total, the number of mandatory data points (to be reported if material) has been reduced by 57%, and the complete set of disclosures, including mandatory and voluntary disclosures, has been reduced by 68%. The total length of the standards has also been shortened by more than 55%, making them more accessible and easier to apply, especially for companies that will fall within the scope of the CSRD from financial years after 2024 and have not yet communicated under the original requirements. ([more detail](#))

EC · Recommendation [C(2025) 4984 final] to promote the use of a voluntary sustainability reporting standard for SMEs

(07/30) · Sustainability

The European Commission (EC) has published a Recommendation [C(2025) 4984 final] to promote the use of a voluntary sustainability disclosure standard (VSME) for small and medium-sized enterprises (SMEs). The aim is to provide a proportionate and standardized framework for unlisted SMEs to disclose sustainability information, facilitate access to finance, and reduce reliance on customized questionnaires across the market. Although the Recommendation is not binding, it anticipates the future adoption of a delegated act establishing the VSME as the EU voluntary sustainability reporting standard for companies with up to 1,000 employees. This act will be adopted once the co-legislators have concluded negotiations on the "omnibus" simplification package. ([more detail](#))

EBA · Consultation paper presenting draft ITS on supervisory reporting requirements for branches of third-country institutions

(07/31) · Reporting and disclosure

The European Banking Authority (EBA) has published a consultation paper presenting draft implementing technical standards (ITS) on supervisory reporting requirements for branches of third-country institutions, in accordance with Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD). The purpose of the document is to establish uniform formats, definitions, and frequencies for the regular reporting of financial and regulatory information by these branches, including relevant information on their parent institution. ([more detail](#))

EBA · Results of its 2025 EU-wide stress test

(08/01) · Capital, liquidity and leverage

The European Banking Authority (EBA) has published the results of its EU-wide stress test for 2025, which aims to assess the ability of the 64 largest European banks to absorb losses under a severe macro-financial scenario. The exercise introduces the CRR3 regulatory framework for the first time and presents projections up to 2027, covering credit, market, operational, and income risks. ([more detail](#))

EC · Call for evidence on technical updates of the Emissions Trading Scheme (ETS) State aid guidelines

(08/04) · Sustainability

The European Commission (EC) has launched a call for evidence to update the State aid Guidelines under the EU Emissions Trading Scheme (EU ETS), which allow Member States to partially compensate certain energy-intensive users for higher electricity costs resulting from the system. The update aims to include additional sectors facing increased carbon leakage risk due to rising carbon dioxide (CO₂) prices, using the same methodology and data-based criteria. The feedback period runs from 4 August to 5 September 2025, with final adoption planned for the fourth quarter of 2025. ([more detail](#))

EC · Call for evidence on the future European Research Area (ERA) Act

(08/06) · Transformation - Organization and Processes

The European Commission (EC) has opened a call for evidence on the future European Research Area (ERA) Act, which seeks to boost investment in research and development (R&D) to the target of 3% of gross domestic product (GDP), reduce fragmentation, and strengthen the competitiveness of the European Union (EU). The initiative will prioritize funding in strategic areas, improve coordination between the EU and Member States, and promote the free movement of knowledge and talent in Europe. The period for submitting comments will be open from August 6 to September 10, 2025, with adoption expected in the third quarter of 2026. ([more detail](#))

EBA · RTS on operational risk losses under the EU Banking Package implementation

(08/06) · Operational risk

The European Banking Authority (EBA) has published three regulatory technical standards (RTS) on operational risk losses within the framework for implementing the European Union (EU) Banking Package, with the aim of ensuring harmonized application of the new standard approach. These products deal with: i) the establishment of a taxonomy of operational risk; ii) the conditions under which the calculation of the annual operational risk loss would be excessively burdensome for an institution; and iii) adjustments to an institution's loss data set. The three RTS will be sent to the European Commission (EC) for adoption by means of a delegated regulation. Once adopted, the Regulation will be directly applicable after its publication in the Official Journal of the European Union (OJEU). ([more detail](#))

EBA · Draft RTS on the prudential treatment of crypto asset exposures under CRR

(08/06) · Capital · Finance - Transactional Banking

The European Banking Authority (EBA) has published draft regulatory technical standards (RTS) on the prudential treatment of crypto-asset exposures under the Capital Requirements Regulation (CRR), which specify the technical elements necessary for institutions to calculate and aggregate crypto-asset exposures for the purposes of the prudential treatment of such exposures. The RTS address implementation issues and will ensure the harmonization of capital requirements for crypto-asset exposures by institutions across the European Union (EU). ([more detail](#))

EBA · Public consultation on amending the RTS on resolution plans and resolution colleges

(08/06) · Recovery and resolution

The European Banking Authority (EBA) has published a public consultation to amend the regulatory technical standards (RTS) on resolution plans and the RTS on resolution colleges, with the aim of reviewing and updating the RTS applicable to the content of resolution plans, resolvability assessments and the operational functioning of resolution colleges. The proposal seeks to increase efficiency, improve the usability of the plans, and strengthen cross-border cooperation in resolution contexts. The consultation will be open until November 5, 2025. ([more detail](#))

EBA · Final draft technical standards on the equivalent legal mechanism for unfinished property exposures under the Standardised Approach for credit risk

(08/06) · Credit risk

The European Banking Authority (EBA) has published its final regulatory technical standards (RTS) on the equivalent legal treatment for exposures to properties under construction under the standardised approach (SA) to credit risk in the Capital Requirements Regulation (CRR). These RTS set out the conditions that a legal mechanism must meet in order for a property under construction to be recognized in the calculation of capital requirements, including strict requirements on the guarantor and the terms of the guarantee. Compared to the more limited approach submitted for consultation, a broader approach is adopted that recognizes certain national completion guarantee schemes, provided they comply with harmonized safeguards such as minimum solvency (20% risk weight limit) and enforceability conditions. The measure is part of the first phase of the EBA's Roadmap for the implementation of the European Union (EU) banking package. ([more detail](#))

EBA · No-action letter on the application of ESG disclosure requirements and update of the EBA risks dashboard

(08/06) · Strategy - Sustainability - Sustainability

The European Banking Authority (EBA) has published a no-action letter on the application of the Environmental, Social, and Governance (ESG) Pillar 3 disclosure requirements under the EBA disclosure Implementing Technical Standards (ITS). This no-action letter aims to address legal and operational uncertainties linked to the evolving ESG disclosure framework, in light of the proposed amendments under the European Commission's (EC) Omnibus legislative package on sustainability reporting. ([more detail](#))

EBA · Public consultation on the revised Guidelines on internal governance

(08/07) · Credit and capital

The European Banking Authority (EBA) has launched a consultation on its revised Guidelines on internal governance under the Capital Requirements Directive (CRD). The proposed revisions reflect the changes introduced in the CRD framework as well as in other relevant legislations, such as the Digital Operational Resilience Acts (DORA). The consultation runs until 7 November 2025 and is limited to the proposed changes. ([more detail](#))

SRB · Operational guidance for banks on resolvability self-assessment

(08/07) · Credit and Capital - Recovery

The Single Resolution Board (SRB) has published its Operational Guidance for Banks on Resolvability Self-Assessment. This approach is a key part of the Single Resolution Mechanism (SRM) Vision 2028 strategy, designed to ensure that European banks are equipped for the future and crisis-ready, based on a revised methodology encompassing lessons learnt from crisis cases, best practice and the testing of banks' capabilities. The first self-assessment report under the format established by the new guidance should reflect the resolvability self-assessment as at 31 December 2025 and is expected to be submitted by banks by 31 January 2026 at the latest. ([more detail](#))

EBA · Final ITS draft amending the Implementing Regulation on the benchmarking of credit and market risk for the 2026 exercise

(08/08) · Credit and capital · Risks - Market and ALM

The European Banking Authority (EBA) has published its final draft Implementing Technical Standards (ITS), amending the Implementing Regulation on the benchmarking of credit and market risk for the 2026 exercise. The most significant change is in the area of market risk, where the EBA is proposing to restrict the data collection to the information on the alternative standardised approach (ASA) to be provided by those banks that were granted the internal model approval. In the area of credit risk, the EBA is suggesting only minor changes. ([more detail](#))

EBA · Statement confirming EBA's response to the EC's Delegated Act postponing the application of the market risk framework in the EU

(08/08) · Risks - Market and ALM

The European Banking Authority (EBA) has published a statement confirming its response to the European Commission's (EC) Delegated Act postponing the application of the revised market risk framework (FRTB) in the European Union (EU). The EBA confirmed that its no-action letter of 12 August 2024 remains fully valid and applicable, and that its considerations on specific issues linked to the postponement will also continue to apply throughout the extended period. Institutions should rely on the existing no-action framework until the revised FRTB rules formally enter into force. ([more detail](#))

EC · Draft Delegated Regulation amending MiFIR post-reform rules

(08/08) · Compliance and conduct

The European Commission (EC) has published a draft Delegated Regulation amending the Markets in financial instruments (MiFIR) post-reform rules to update provisions on liquid markets, market data, and post-trade risk reduction services. The changes replace the free float criterion with a 100 million euro market capitalisation threshold for defining liquid markets in equity instruments, while also clarifying conditions for Exchange-Traded Funds (ETFs), depositary receipts, and certificates. The act removes outdated provisions on reasonable commercial basis and pre-trade transparency for non-equity Systematic Internaliser (Sis) and introduces a definition of post-trade risk reduction (PTRR) services, explicitly covering portfolio compression, rebalancing, and basis risk optimisation. The feedback period end on the 5 September 2025. ([more detail](#))

SRB · Public consultation on SRB's updated approach on separability and transferability

(08/13) · Credit and Capital - Recovery

The Single Resolution Board (SRB) has launched a public consultation on its updated operational guidance for banks on separability and transferability, aiming to enhance efficiency and effectiveness in resolution planning. The updated guidance, aligned with the SRB's crisis readiness framework, includes new elements on testing and provides an operational framework for transfer playbooks, while streamlining existing deliverables to reduce administrative burden. The consultation is open until 22 October 2025, with stakeholder meetings planned in September to address questions before finalisation. ([more detail](#))

EC · Draft Delegated Regulation amending the NUTS classification

(08/14) · Finance - Accounting

The European Commission (EC) has published a draft Delegated Regulation amending the Nomenclature of Territorial Units for Statistics (NUTS) classification to reflect recent changes in Member States' territorial structures, based on proposals submitted by national authorities in early 2025. The update revises the annexes of Regulation (EC) No 1059/2003, covering NUTS classifications, administrative units and local units, following consultations with national statistical institutes and expert groups. The feedback period end on the 11 September 2025. The revised classification will apply for the transmission of data to Eurostat from 1 January 2027. ([more detail](#))

EBA · Final standards for off-balance sheet items conversion factors

(08/18) · Credit and Capital - Capital

The European Banking Authority (EBA) has published its final draft Regulatory Technical Standards (RTS) on the allocation of off-balance sheet items and specification of conversion factors under the Standardised Approach for credit risk. The RTS establish assignment criteria for items not covered in Annex I of the Capital Requirements Regulation (CRR), based on factors such as financial covenants, non-credit related conditions, and obligor optionality, complemented by illustrative examples. They also define four factors that may limit institutions' ability to cancel unconditionally cancellable commitments, covering risk management, commercial, reputational, and litigation considerations. Notification of off-balance sheet items not included in Annex I will be integrated into the Common Reporting framework to streamline reporting. ([more detail](#))

EC · Call for evidence on a delegated act to establish a portfolio framework for increasing lending to energy renovations of buildings

(08/26)

The European Commission (EC) has launched a call for evidence on a delegated act to establish a portfolio framework for increasing lending to energy renovations of buildings, as required under the recast Energy Performance of Buildings Directive (EU) 2024/1275. The initiative aims to mobilize financial institutions to boost renovation investments, focusing particularly on worst-performing buildings and protecting vulnerable households. The framework will be voluntary but designed to guide lenders with best practices, synergies with existing EU sustainable finance rules, and measures to improve access to financing. The consultation is open until 18 November 2025, after which the EC will finalize the delegated act, expected to be adopted in Q1 2026. [\(more detail\)](#)

CE · Request for evidence on the CBAM methodology for the final period that begins on January 1, 2026

(08/28) · Sustainability

The European Commission (EC) has launched a public consultation on the methodology of the carbon border adjustment mechanism (CBAM) for the final period that will begin on January 1, 2026. The initiative proposes to define the calculation mode of the direct incorporated emissions, indirect emissions and those associated with electricity, as well as predetermined values for goods other than electricity when it is not possible to use real data. The consultation period will be open until September 25, 2025, at midnight, Brussels time. The entry into force of the final regime is expected as of January 1, 2026. [\(more detail\)](#)

EBA · Consultation of the Draft Technical Package and the New Improved Glossary DPM 2.0

(09/05) · Credit and Capital · Reporting

The European Banking Authority (EBA) has published a draft of the technical package corresponding to version 4.2 of its regulatory information framework, marking an essential milestone in the transition to the data point model (DPM) 2.0 and the introduction of a completely improved semantic glossary. This anticipated publication seeks to facilitate the preparation of the entities that report before the next changes, before the final version provided for November 2025. The technical package includes validation rules, the DPM model and XBRL taxonomies, as well as reviews to technical standards of application planning, new reporting obligations under the Capital Requirements Regulation (CRR) and the capital requirements directive operational within the KOREP; Updates to the norms on minimum requirements of eligible and liabilities (MREL), and adjustments in comparative market risk indicators. Comments on the technical package and the new glossary are accepted until September 19, 2025. The final version is expected to be published in November 2025. [\(more detail\)](#)

ESAs · Report on the scope of voluntary dissemination of the main adverse effects (PAI) under SFDR

(09/09) · Sustainability - Reporting

The European Supervision Authorities (ESAs) have published their fourth annual report on the voluntary dissemination of PAI under the regulation of dissemination of sustainable finance (SFDR). The report highlights an improvement in the quality of disseminations, especially among large financial groups, although deficiencies between smaller entities persist. In addition, the report also includes recommendations for the competent national authorities to support their supervision of the dissemination of PAI and for the European Commission (EC) to take them into account before the next SFDR review. [\(more detail\)](#)

EIOPA · Technical contribution to support the development of complementary pensions in the context of its savings and investment union strategy

(09/08) · Conduct

The European Insurance and Employment Pensions Authority (EIOPA) has published its technical contributions requested by the European Commission (EC) to support the development of supplementary pensions within the framework of the strategy of the Savings and Investment Union (SIU). EIOPA's proposals include adopting the regulatory and supervisors of the Directive on collective investment institutions (IORP II) and the Regulation on Paneuropean Personal Pension Plans (PEPP), emphasizing obtaining a good value for money, establishing an automatic adhesion system (self-enrollment) and improving supervision. It also raises a clear European labeling for PEPP, simplifying consumer products, adapting performance costs, eliminating mandatory sub-account requirements, and promoting transparency both in the accumulation phase and decumulation phase. In an aged European society, he points out that these measures are urgent to close legal pension gaps and take care of the personal or occupational dimension of complementary savings. [\(more detail\)](#)

ECB · Amendment to FINREP Regulation to strengthen supervisory assessment of credit risk

(09/12) · Credit and capital · Reporting

The European Central Bank (ECB) has published an amendment to the Financial Disclosure Regulation (FINREP), adding nine new data points to improve credit risk assessment, which will now also apply to less significant institutions (LSI). In addition, the report to entities not subject to International Financial Information Standards (IFRS), with a proportional approach, is extended. The FINREP regulation is expected to be published at the end of September 2025, with a first reference date for the presentation of reports in December 2025. The taxonomy for the data of supervisory financial information (SFRDP) is also expected to be published at the end of September 2025. [\(more detail\)](#)

EBA · Draft preliminary modifications to the framework for notification of decisions about MREL

(09/12) · Recovery and resolution

The European Banking Authority (EBA) has published a draft of Technical Implementation Standards (STIs) to amend the Reporting Framework of Decisions on the Minimum Requirement of Eligible Own Funds and Liabilities (MREL) adopted by the resolution authorities. Modifications include, among other changes, change to a semiannual cycle instead of the annual, improve the report of the discretionary elements used when setting the

MREL, and simplify certain data fields to reduce the load of the reports. Settings have also been incorporated to align the new report with recent updates of the legal framework, such as Directive 2024/1174 (Daisy-Chain Directive). The modifications are based on articles 45J (2) and 45L of the Recovery and Bank Resolution Directive (BRD). ([more detail](#))

ECB · Public consultation on a draft Guideline for a harmonised supervisory approach to the coverage of NPEs held by LSIs

(09/15) · Credit and capital · Provisions

The European Central Bank (ECB) has launched a public consultation on a guideline draft to harmonize the supervisory approach around low-performance exhibitions (NPEs) inherited in their balance less significant institutions (LSIs). The draft allows the competent national authorities (NCAs) to apply supervisory discretion within the framework of Pillar 2, evaluating a case -by -case basis, and provides for a gradual implementation between December 31, 2025, and December 31, 2028, with report requirements aligned with Common Reporting (COREP). The public consultation will be open until October 27, 2025. ([more detail](#))

EBA · Revised ITS validation rules on supervisory reporting

(09/15) · Reporting

The European Banking Authority (EBA) has published a revised list of validation rules within its technical implementation standards (ITS) on Reporting Supervisor, in which it deactivates rules that turn out to be incorrect or that generate computer problems. It has also made available a small validation package that includes a micro-taxonomy and scripts for deactivation of rules in the reporting dictionary of reports (DPM) to ensure a coherent deactivation in the taxonomy and in DPM from version 4.0 of the Reporting framework. ([more detail](#))

EBA · Advice in response to the EC's Call for Advice (CfA) on the review and performance of the EU covered bond framework

(09/23) · Market & ALM · Compliance & conduct

The European Banking Authority (EBA) has issued an opinion to the European Commission (EC), assessing the European Union (EU)'s regulatory framework on covered bonds. The EBA finds that the current regime has contributed to greater market harmonisation, improved transparency, and enhanced investor protection. However, it also highlights areas for potential refinement, such as the definition of eligible assets and coverage requirements, in order to further strengthen the robustness and comparability of the instrument. The opinion also advises evaluating the framework's impact on mortgage financing and the real estate market. The EBA encourages the EC to take these aspects into account in its upcoming regulatory review. ([more detail](#))

Council · Positions on digitalisation and common specifications, as well as on small mid-caps, to boost EU competitiveness

(09/24) · Reporting · Technological Transformation

The Council of the European Union (EU) has adopted its position on several legislative proposals aimed at simplifying the regulatory framework for capital markets and strengthening the EU's competitiveness. The measures include: the digitization of procedures in the financial sector, the establishment of common specifications for the presentation of information, and the introduction of rules adapted to small and medium-sized enterprises. These initiatives are part of the Capital Markets Union (CMU) simplification package and are included in the Omnibus IV legislative package, which is also linked to the EU's competitiveness agenda and financing instruments such as Invest EU. They seek to reduce administrative burdens, facilitate access to finance, and promote greater participation by companies in European stock markets. The agreed positions will allow negotiations to begin with the European Parliament (EP) for the final approval of the legislative texts. ([more detail](#))

ESMA · Updated instructions for weekly commodity derivative position reporting

(09/25) · Reporting · Sustainability

The European Securities and Markets Authority (ESMA) has published an update to the technical instructions applicable to the weekly reporting of positions in commodity derivatives, in accordance with the Markets in Financial Instruments Regulation (MiFIR). This revision introduces technical adjustments that seek to improve data quality, clarify the use of certain reporting fields, and ensure greater consistency in the reporting of positions by trading venues. The new instructions will apply from April 1, 2026. ([more detail](#))

SRB · Final version of the operational guide on resolvability testing for banks

(09/25) · Recovery and resolution

The Single Resolution Board (SRB) has published the final version of the operational guide on resolvability testing for banks, as a practical tool for banks to apply the revised European Banking Authority (EBA) Guidelines on resolvability, including expectations on the multi-year testing program, testing methods, internal governance, testing environments, and the conduct and monitoring of tests. ([more detail](#))

Spain

CNMV · Q&A on the Market Abuse Regulation

(07/16) · Financial crime

The Spanish National Securities Market Commission (CNMV) has published an updated version of its Q&A document on the Market Abuse Regulation (MAR), aiming to provide greater clarity on the practical application of certain obligations. This edition includes new questions and updates related to the disclosure of inside information, the preparation of insider lists, and the conditions under which publication may be delayed. The CNMV provides relevant guidance for issuers and market participants, enhancing legal certainty and supervisory consistency. Given that these are interpretative clarifications, they are applicable immediately and no specific dates have been set for their entry into force. ([more detail](#))

Congress · Reform of the consolidated text of the Law on Civil Liability and Motor Vehicle Insurance, along with Law 20/2015 on the regulation, supervision, and solvency of insurance and reinsurance companies

(07/22) · Capital, liquidity and leverage

The Congress has approved the reform of the consolidated text of the Law on Civil Liability and Motor Vehicle Insurance, along with Law 20/2015 on the regulation, supervision, and solvency of insurance and reinsurance companies, thus concluding its parliamentary process. The reform transposes the new European Union (EU) Motor Insurance Directive, introduces enhancements to third-party protection, creates a new title on personal data protection, and establishes compulsory insurance for light personal vehicles not legally defined as motor vehicles. Additionally, it updates governance requirements for insurance companies and introduces preventive recovery plans. The law will enter into force on the day following its publication in the Official State Gazette, except for specific provisions such as compulsory insurance for light personal vehicles, which will apply from January 2, 2026. ([more detail](#))

BdE · Public consultation on the amendment of Circular 4/2017 and Circular 1/2013

(07/24) · Capital, liquidity and leverage

The Bank of Spain (BdE) has published a draft circular amending Circulars 4/2017 on financial reporting and 1/2013 on the Risk Information Center. The aim is to align the national framework with the International Financial Reporting Standards (IFRS) adopted by the European Union (EU), incorporate new regulations and move towards more granular reporting. The deadline for submitting comments is September 10, 2025. The circular will be published in the Official State Gazette (BOE) and will enter into force the following day. Statements FI 131 and FI 141, which contain aggregate information by country risk, are eliminated and will be replaced by granular data in the Risk Information Center (CIR). The main accounting changes will apply from January 1, 2026, the new financial statements reserved from March-June-December 2026, and the new country risk coverage regime from June 2026. ([more detail](#))

BdE · Public consultation on amendment to Circular 8/2015 on information to be provided to the Deposit Guarantee Fund

(07/24) · Others

The Bank of Spain (BdE) has launched a preliminary public consultation to amend Circular 8/2015 of 18 December, which applies to institutions and branches affiliated with the Deposit Guarantee Fund for Credit Institutions (FGD), regarding the information required to calculate their contributions to the fund. The proposed amendment aims to align the circular with the changes introduced by Royal Decree 1041/2021 of 23 November, which updates the framework for guaranteed deposits in accordance with Directive 2014/49/EU. Among other issues, the data that entities must report will be reviewed, new fields will be introduced (e.g. holder's surname), and the treatment of specific products (e.g. cheques issued and not cleared) and unresolved situations (e.g. business combinations) will be clarified. The consultation is open until 7 August 2025. ([more detail](#))

UK

FCA · Consultation on supporting consumers' pensions and investment decisions and proposals for targeted support

(07/01) · Compliance and conduct

The Financial Conduct Authority (FCA) has published Consultation Paper (CP) 25/17, proposing a new targeted support framework to assist consumers in making more informed pension and investment decisions. This framework would allow firms to provide personalized recommendations without it being considered regulated financial advice, provided certain conduct and transparency standards are met. The proposals include requirements on how costs and charges are presented, the application of existing rules to this new service, and how complaints and redress will be handled. Additionally, approaches to simplifying financial advice are explored, and the boundary between advice and guidance is examined. The consultation is open until August 29, 2025, and responses are expected to inform future regulatory decisions in this area. ([more detail](#))

FCA · Public consultation on tackling non-financial misconduct in financial services

(07/03) · Compliance and conduct

The Financial Conduct Authority (FCA) has published consultation paper (CP) 25/18, confirming the extension of rules on non-financial misconduct (NFM)—such as harassment, bullying, and violence—to non-bank financial firms, thereby aligning the Code of Conduct (COCON) with that of banks. In addition, the FCA is consulting on the need for additional guidance in the COCON and Fit and Proper Test (FIT) manuals to help firms apply these rules consistently. The new rule will come into force on September 1, 2026, and the consultation on the additional guidance will be open until September 10, 2025. ([more detail](#))

BoE · Policy statement on updating the regulatory framework for capital buffers

(07/03) · Risks and capital

The Prudential Regulation Authority (PRA) has published Policy Statement (PS) 8/25, updating the national framework for capital buffers. This update transfers certain regulations derived from European Union (EU) law into the PRA's own policy materials, aligning with the new regulatory framework established by the Financial Services and Markets Act 2023. The new Capital Buffers and Macro-prudential Measures Regulations (SI 2025/572) revoke the previous 2014 regulation and empower the PRA and the Financial Policy Committee (FPC) to set and apply requirements related to capital conservation buffers, countercyclical buffers, buffers for global systemically important institutions (G-SIIs), other systemically important institutions (O-SIIs), and the systemic risk buffer. These changes will be effective from 31 July 2025. ([more detail](#))

FCA · Consultation Paper on the Systematic Internaliser (SI) regime for bonds and derivatives including Discussion Paper on equity markets

(07/03) · Compliance and conduct

The Financial Conduct Authority (FCA) has launched Consultation Paper (CP) 25/20 on the review of the SI regime for bonds and derivatives, alongside other proposals aimed at improving the structure and transparency of United Kingdom (UK) financial markets. Key proposals include removing the SI regime for bonds, derivatives, structured finance products, and emission allowances; lifting the ban on a firm acting as both an SI and operating an Organised Trading Facility (OTF) within the same legal entity; and allowing venues using the reference price waiver to source prices from multiple markets. The paper also introduces a discussion on potential reforms to equity market transparency, with a formal consultation planned for 2026. Stakeholders may submit responses until 10 September 2025. ([more detail](#))

FCA · Final guidance on the treatment of politically exposed persons for anti-money laundering purposes

(07/07) · Financial crime

The Financial Conduct Authority (FCA) has published Final Guidance (FG) 25/3, which updates its guidance on the treatment of politically exposed persons (PEPs), their family members, and associates under the 2017 Money Laundering, Terrorist Financing, and Transfer of Funds Regulations. Among the most significant changes, it clarifies that certain positions should not be treated as PEPs (such as non-executive members of the British civil service), introduces greater flexibility in the procedures for approving business relationships with PEPs, and strengthens the risk-based approach, distinguishing between domestic and foreign PEPs. This final guidance comes into force immediately, although the FCA acknowledges that some aspects may require phased implementation, without specifying which ones or by when. ([more detail](#))

PRA · Consultation paper on amendments to Resolution Assessment threshold and Recovery Plans review frequency

(07/15) · Recovery and resolution

The Prudential Regulation Authority (PRA) has published a consultation paper (CP) on revising the threshold for resolution assessments and the frequency of recovery plan reviews for financial institutions. The proposal aims to raise the asset threshold for mandatory resolution assessments from £15 billion to £25 billion, thereby reducing the regulatory burden for smaller firms. It also suggests changing the review frequency of recovery plans from annually to every three years for firms not subject to mandatory resolution assessment. Stakeholders are invited to submit feedback by 31 October 2025. ([more detail](#))

PRA · Consultation paper on disclosure of resolvability resources, capital distribution constraints and the basis for firm Pillar 3 disclosure

(07/15) · Risks and capital · Sustainability

The Prudential Regulation Authority (PRA) has published a consultation paper (CP) on the implementation of disclosure requirements for banks under the Pillar 3 regulatory technical standards (RTS). The proposal covers new transparency obligations relating to risks, capital, leverage, exposure to environmental, social and governance (ESG) factors, as well as requirements linked to the resolvability of institutions. It includes measures to disclose information on financial resources available for resolution, restrictions on the distribution of capital and the basis for firm disclosure, with the aim of strengthening market discipline and aligning the UK framework with international standards set by the Basel Committee on Banking Supervision (BCBS). Comments may be submitted until 31 October 2025. ([more detail](#))

PRA · Consultation paper on amendments to MREL reporting

(07/15) · Recovery and resolution

The Prudential Regulation Authority (PRA) has published a consultation paper (CP) on amendments to the resolution planning framework and related reporting requirements under the Minimum Requirement for Own Funds and Eligible Liabilities (MREL). The proposals aim to streamline reporting obligations, enhance the quality and relevance of submitted data, and ensure better alignment with other relevant regulatory frameworks. Technical adjustments to data collection templates for firms subject to resolution requirements are also proposed. The consultation is open for comments until 31 October 2025. [\(more detail\)](#)

PRA · Consultation paper on adjustments to the market risk framework**(07/15) · Risks and capital**

The Prudential Regulation Authority (PRA) has published a consultation paper (CP) on adjustments to the market risk framework as part of the Basel 3.1 implementation. The proposal introduces technical amendments aimed at enhancing proportionality, clarity, and operational effectiveness of market risk requirements, including updates to both the standardised and internal model approaches. These changes respond to concerns raised in previous consultations and aim to support a more efficient implementation by firms. Stakeholders can submit their feedback until 31 October 2025. [\(more detail\)](#)

BoE · Statement of policy on approach to setting a MREL**(07/15) · Recovery and resolution**

The Bank of England (BoE) has published an updated version of its policy statement on the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), replacing the 2021 edition. This update introduces clarifications and technical adjustments concerning the resolution approach, applicable MREL levels, and expectations for gradual compliance. It also addresses treatment of institutions within groups, subordination of instruments, and supervisory monitoring mechanisms. The updated policy is effective immediately and will serve as a reference for future resolution assessments. [\(more detail\)](#)

FCA · Consultation on liquidity management in open-ended investment funds**(07/18) · Asset management**

The Financial Conduct Authority (FCA) has published a consultation paper (CP) with proposals to strengthen the liquidity management framework for open-ended investment funds (OEIFs). The proposal includes the mandatory introduction of swing pricing to mitigate dilution effects in the event of significant redemptions, the classification of assets according to their liquidity, and a new methodology for calculating the price of illiquid assets. It also proposes to strengthen governance and transparency requirements to better protect retail investors. Comments may be submitted until September 26, 2025. [\(more detail\)](#)

FRC · Revised technical actuarial standard for pensions**(07/18) · Compliance**

The Financial Reporting Council (FRC) has published a revised version of Technical Actuarial Standard (TAS) for 300 pensions. This revision strengthens the requirements relating to data quality, professional judgment, and the communication of uncertainties in actuarial advice on pensions. It also introduces new guidance to improve the transparency and usefulness of actuarial work for users. The standard will come into effect for technical actuarial work completed on or after November 1, 2025. Professionals may choose to apply TAS 300 v2.0 to technical actuarial work on funding valuations with an effective date prior to September 22, 2024. [\(more detail\)](#)

BoE · Supervisory statement on threshold conditions on the MREL**(07/22) · Capital, liquidity and leverage**

The Prudential Regulation Authority (PRA) has updated its supervisory statement (SS) on threshold conditions on the minimum requirement for own funds and eligible liabilities (MREL). This statement provides guidance on how institutions should comply with MREL requirements, including calibration, the transition period, subordination, and the proportional approach. The document also details regulatory expectations regarding the availability of liabilities that can be used to absorb losses and recapitalize institutions in resolution. No changes with specific dates are indicated, although it is aligned with the policies previously established by the Bank of England (BoE) and with the European Union (EU) resolution framework. [\(more detail\)](#)

BoE · Prudential considerations for insurance and reinsurance undertakings when transferring risk to Special Purpose Vehicles**(07/24) · Capital, liquidity and leverage · Provisions and NPL**

The Prudential Regulation Authority (PRA) has published a document outlining its prudential considerations for insurance and reinsurance undertakings in light of the current economic environment. The paper highlights risks stemming from persistent inflation, interest rate volatility, and the impact of market conditions on asset and liability valuations. It also emphasizes the importance of strong liquidity risk management, effective governance, and capital planning under stress scenarios. While no specific new regulatory requirements are introduced, the PRA reinforces its supervisory expectations regarding the financial resilience of the sector. [\(more detail\)](#)

BoE · Proposal to extend RT2 and CHAPS settlement hours (phase 1)**(07/29) · Payments**

The Bank of England has launched a public consultation on its proposal to extend the settlement operating hours of the Real-Time Gross Settlement (RTGS) service and the Clearing House Automated Payment System (CHAPS) as part of Phase 1 of its broader expansion strategy. The aim is to enhance the availability of critical payments, align more closely with global financial infrastructures, and strengthen operational resilience in the UK financial system. Specifically, the proposal suggests starting the settlement day earlier, at 06:00 UK time. The consultation is open until 21 October 2025, with implementation targeted for 2026. ([more detail](#))

PRA · Definitions on restatement in PRA Rulebook

(07/30) · Capital, liquidity and leverage

The Prudential Regulation Authority (PRA) has launched a public consultation on directly incorporating certain definitions from the Capital Requirements Regulation (CRR) into the United Kingdom (UK)'s domestic regulatory framework. The proposal aims to consolidate and clarify these definitions within the PRA Rulebook, providing greater legal certainty and ease of application for firms. Minor technical amendments are also proposed to ensure regulatory consistency. The definitions that are being clarified include, for example, the concept of non-performing exposures, the treatment of significant investments in financial institutions, and the definition of CET1 instruments. The consultation is open until 31 October 2025. ([more detail](#))

PRA · Options to enhance competition in the mortgage market

(07/31) · Capital, liquidity and leverage

The Prudential Regulation Authority (PRA) has released a paper outlining options to enhance competition in the UK mortgage market. The initiative explores potential regulatory adjustments to support new market entrants and ensure a level playing field with incumbent firms, while preserving prudential standards. Proposed measures include proportional capital requirements and streamlined authorization processes. The announcements include an implementation date of 1 January 2027 for most of Basel 3.1 and for Strong and Simple, the new capital regime for smaller firms that is designed to create a straightforward system that gives smaller firms the space to grow. ([more detail](#))

FCA · Policy statement on changes to the safeguarding regime for payments and e-money firms

(08/07) · Finance - Transactional banking

The UK Financial Conduct Authority (FCA) has published policy statement (PS) 25/12, setting out final rules and guidance for the payment services and e-money access to compensation regime. The regulation introduces requirements for payment service providers and e-money institutions to have clear, fair, and non-discriminatory procedures for access to systems and accounts, along with obligations for notification and management of access refusals. These measures aim to promote competition, enhance transparency, and ensure fair treatment among market participants. The new rules will apply from 1 January 2026. ([more detail](#))

BoE · Amendments to the UK EMIR Trade Repository reporting requirements

(08/08) · Compliance and conduct

The Bank of England (BoE) has published a Policy Statement on amendments to the UK European Market Infrastructure Regulation (EMIR) Trade Repository reporting requirements, following a joint consultation with the Financial Conduct Authority (FCA) on minor changes to the derivatives reporting regime. The Statement summarises consultation feedback and confirms that most proposals remain unchanged, with limited adjustments to validation rules. The final rules will take effect on 26 January 2026, giving market participants additional time to prepare for implementation. ([more detail](#))

UK Gov · Policy paper on cyber governance mapping

(08/11) · Cyber

The UK government has published the Cyber Governance Mapping, a set of documents aligning the new Cyber Governance Code of Practice with leading cybersecurity standards and frameworks. The mapping shows how the Code corresponds to existing cyber standards and frameworks, helping boards and Chief Information Security Officers (CISOs) understand where their current practices already meet the Code's requirements. The mapping will be updated periodically as new standards emerge, so organisations are encouraged to monitor updates and integrate them into their governance strategies. ([more detail](#))

FCA · Multi-firm review of algorithmic trading controls

(08/21)

The Financial Conduct Authority (FCA) has published a high-level review of algorithmic trading controls assessing firms' compliance with the Markets in Financial Instruments Directive (MiFID) II Article 17 and Regulatory Technical Standard (RTS) 6. The review, focused on principal trading firms, found an overall improvement in compliance, reflecting stronger governance and risk management frameworks for algorithmic trading. The FCA will continue to monitor adherence to RTS 6 requirements to ensure firms maintain robust controls and mitigate risks linked to algorithmic trading. ([more detail](#))

HMT · Amendments proposed to the Money Laundering Regulations

(09/02) · Anti Money Laundering

The Treasury of His Majesty (HMT) has published the draft of the Money Laundering and Financing Regulations of 2025, accompanied by a political note, and invites the presentation of technical comments before September

30, 2025. The initiative responds to the weaknesses identified in the current regulation and seeks to close normative lagoons and adjust the proportionality, addressing emerging risks in the matter of due diligence client, collective customer accounts, crypto active regulation, and trust registration. The draft now undergoes a technical consultation to verify its practical operability, clarity and efficiency, and detect possible errors, ambiguities or unwanted consequences before its final approval. The instrument is scheduled to formally present before Parliament in early 2026 and will enter into force 21 days after its promulgation, with specific provisions for crypto active companies aligned to the regulatory perimeter of the Financial Services and Markets Regulation (FSMA). ([more detail](#))

DFBT · Regulatory Document on the framework for the development of UK SRS

(09/03) · Sustainability

The Business and Commerce Commission (DFBT) has published the framework and the terms of reference for the elaboration of sustainability information standards (SRS) of the United Kingdom (UK). This document describes the process of evaluation of the global baseline of the sustainability dissemination standards of the International Financial Information Standards Council (IFRS) to create the UK standards. The Secretary of State for Business and Commerce will be responsible for his technical guarantee, supported by the Technical Advisory Committee (TAC) and the Policy and Implementation Committee (PIC). The development phase comprises three stages: Creation of IFRS standards, technical guarantee to generate the SRS and eventual implementation through legislation or regulation, including the regulations of the Financial Behavior Authority (FCA). The document was published on May 16, 2024 and updated on September 3, 2025, when adjustments were introduced to the process of appointing members of the Technical Committee. ([more detail](#))

HMT · Consult a simplified approach for the regulation of payment systems

(09/08) · Transactional banking · Supervision

The Ministry of Finance (HMT) has published a consultation on a simplified approach for the regulation of payment systems, which proposes to consolidate the payment systems regulator (PSR) within the Financial Behavior Authority (FCA). This proposal would imply that the FCA assumes all the functions of the PSR, including those related to promoting competition and innovation in the payment systems and the services they provide, as well as protecting the interests of consumers and companies. The objective is to simplify the regulatory panorama by reducing the number of regulatory organisms and make supervision in the United Kingdom payments more efficient (UK). The consultation will remain open until October 20, 2025. ([more detail](#))

PRA · Consultation on third-party insurance branches, application of policies and other updates

(16/09) · Reporting · Compliance

The Prudential Regulation Authority (PRA) of the Bank of England (BoE) of the United Kingdom (UK) has published the consultation document (CP) 20/25 on insurance branches of third countries, application of policies and other updates, in which it proposes a series of changes to adjust the policy of branches of insurance companies of third countries (not established in UK or Gibraltar) under the regime of Solvent II reviewed. Among the main aspects are: to increase the subsidiary threshold of 500 million pounds to 600 million pounds; Incorporate into internal regulations certain report exemptions that until now were made by modifications for consent (MBC); Reinstall two annual report templates for smaller branches and eliminate some quarterly reports; Clarify demands on the evaluation of own risk and solvency (ORSA) and the resolution report; and replenish or eliminate guides from the European Authority of Occupational Insurance and Pensions (EIOPA) that have been redundant after the review. The proposed implementations would be applied mostly from December 31, 2026. The deadline for sending comments concludes on December 16, 2025. ([more detail](#))

FCA · Consultation on the application of the FCA manual for crypto asset activities

(17/09) · Transactional banking

The United Kingdom Financial Behavior Authority (FCA) has published the consultation document (CP) 25/25 on the application of the FCA manual for activities regulated with crypto assets, in which they intend to apply the existing rules of the FCA Handbook to the entities that carry out regulated activities with crypto assets. It is proposed that these entities must meet high governance standards, senior people management, financial crimes, operational resilience, environmental, social and governance standards (ESG), duty of consumer protection, product governance, claims resolution, and the obligations of the Financial Ombudsman Service under the new crypto assets regime. The document is part of the crypto assets road map of the British government, and requires that companies obtain authorization before operating with regulated crypto asset activities. Those interested can send comments on chapters 6-7 until October 15, 2025, and on chapters 1-5 until November 12, 2025. ([more detail](#))

BoE · Partial revocation of the UKTS on resolution reporting

(09/22) · Recovery and resolution

The Bank of England (BoE), through the UK Resolution Authority (UKRA), has published a consultation paper on the partial repeal of the UK technical standard on resolution reporting. This proposal responds to the objective of reducing the regulatory burden while maintaining the quality and usefulness of the information received for resolution purposes. In particular, it proposes to remove certain specific requirements that are considered redundant or unnecessary, given the evolution of the resolution framework and current supervisory expectations. The consultation will remain open until November 21, 2025. ([more detail](#))

PRA · Consultation paper on future banking data review and Deletion of banking reporting templates

(09/22) · Reporting

The Prudential Regulation Authority (PRA) has launched a consultation on the elimination of specific banking reporting forms used in data collection under the Detailed Banking Forms (DBF) framework. The proposal envisages the removal of specific templates that have become obsolete or redundant, in line with the objective of simplifying reporting obligations and reducing the operational burden on institutions. The consultation also includes proposals to adapt reporting requirements to current supervisory priorities and seeks views on the usefulness and relevance of the forms concerned. Responses may be submitted until October 22, 2025. ([more detail](#))

BoE · Expanding mandatory ISO 20022 enhanced data in the Clearing House Automated Payment System (CHAPS) from 2027

(09/22) · Information & data quality · Transactional Banking

The Bank of England (BoE) has published a policy statement on the expansion of the mandatory use of rich data in the ISO 20022 standard in the CHAPS, starting in 2027. This measure requires the participating institutions to include structured and standardized fields of additional information (such as the purpose of the payment and the details of the ordering party) in order to improve efficiency, traceability, and fraud prevention in payments. The policy marks a strategic shift in the United Kingdom (UK)'s payment infrastructure, aligning it with international efforts to modernize payment systems through the use of high-quality data. ([more detail](#))

FRC · Conforming amendments to International Standards on Auditing

(09/25) · Accounting

The UK Financial Reporting Council (FRC) has published amendments to the UK International Standards on Auditing (ISA) to align them with changes introduced by the International Code of Ethics for Professional Accountants and the new International Framework for Quality Management. The amendments affect multiple standards and seek to ensure regulatory consistency and improve the quality of audits. The FRC clarifies that these amendments do not introduce new substantive requirements, but rather update the language and references to reflect developments in the relevant international frameworks. ([more detail](#))

UK Gov · Consultation and call for evidence commercial credit data sharing

(09/25) · Credit & capital · Reporting

The United Kingdom (UK) government has launched a public consultation and call for evidence on commercial credit data sharing, with the aim of improving access to finance for small and medium-sized enterprises (SMEs). The initiative assesses possible reforms to the current data sharing regime between financial institutions and service providers, analyzing how greater availability of credit data can boost competition, reduce information asymmetries, and facilitate more efficient lending decisions. The document also sets out regulatory options for expanding the existing system or creating new data infrastructures. Stakeholders can submit their contributions until November 20, 2025. ([more detail](#))

Other publications of interest

American Region

US

FSB · Recommendations to address financial stability risks created by leverage in nonbank financial intermediation

(07/08) · Risks

The Financial Stability Board (FSB) has published recommendations urging regulators to address financial stability risks arising from leverage in non-bank financial intermediation (NBFIs). The report calls for direct leverage limits, enhanced margin requirements, concentration caps, mandatory reporting of large positions, and improved global regulatory coordination. It focuses on risks in core financial markets and the interconnections between non-bank institutions and their leverage providers. As a next step, the FSB will set up a Non-Bank Data Task Force to support implementation and will assess later this year whether further measures are needed. [\(more detail\)](#)

FRB · Consultation on updating the supervisory rating framework for large banking groups

(07/10) · Risks and capital · Supervisory expectations

The Federal Reserve Board (FRB) has released a proposal to update how it assesses whether a large bank is well managed. Under the new definition, an institution may receive a negative rating in only one of three key aspects (capital, liquidity, governance, and controls) and must meet at least the other two. In addition, the rule requiring supervisory action to be taken after a single negative rating has been removed, giving supervisors more leeway. The proposal would also apply to insurers supervised by the FRB. The public consultation will be open until August 10, 2025. [\(more detail\)](#)

FDIC/FRB/OCC · Joint statement on risk-management considerations for crypto-asset safekeeping

(07/14) · Crypto assets

The Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System (FRB), and the Office of the Comptroller of the Currency (OCC) have issued a joint statement on risk management considerations for the custody of crypto assets by banks. The document emphasizes that entities offering, or considering offering, crypto asset custody services should do so in a safe, sound, and compliant manner. The statement does not introduce new supervisory expectations but underscores the need to apply existing prudential principles. The agencies will continue to work to provide further clarity on banks' engagement in crypto asset-related activities. [\(more detail\)](#)

FDIC · Public consultation on the potential risks, benefits, and implications of industrial banks and industrial loan companies and their parent companies

(07/14) · Governance · Risks and capital

The Federal Deposit Insurance Corporation (FDIC) has launched a public consultation on industrial banks and the nonbank parent companies that control them. The goal is to gather comments from the public and stakeholders on the potential risks, benefits, and regulatory implications of this corporate structure, which allows non-financial entities to control deposit-insured banks. The consultation includes specific questions on prudential treatment, supervisory requirements, and conditions for access to the deposit insurance system. Comments may be submitted until September 13, 2025. [\(more detail\)](#)

FRB · Measure granting banks and credit unions the option to use an alternative method for collecting certain customer identification information

(07/31) · Capital, liquidity and leverage

The U.S. Federal Reserve Board, in coordination with other federal financial regulatory agencies and the Treasury Department's Financial Crimes Enforcement Network (FinCEN), has announced a measure allowing banks and credit unions to use an alternative method for collecting certain customer identification information. Specifically, institutions may now obtain a Tax Identification Number (TIN) from a third party instead of directly from the customer. This optional flexibility reflects changes in how customers engage with financial services since the rule's introduction in 2003, while preserving risk-based identity verification procedures. The announcement was published on July 31, 2025. [\(more detail\)](#)

FRB · Approval of updates to Statement on Longer-Run Goals and Monetary Policy Strategy

(08/22) · Finance · Financial conglomerates

The Federal Reserve Board's (FRB) Federal Open Market Committee (FOMC) has published an updated Statement on Longer-Run Goals and Monetary Policy Strategy, also referred to as the consensus statement. The updated framework reaffirms the Committee's dual mandate of promoting maximum employment and stable prices, while emphasizing transparency, accountability, and the effective use of its full policy toolkit. It maintains the 2 percent longer-run inflation goal, judged as most consistent with the FRB mandate, and highlights the importance of

anchored inflation expectations for economic stability. The FOMC will review these principles annually at its January organizational meeting and conduct a comprehensive public review of its monetary policy strategy, tools, and communications roughly every five years. ([more detail](#))

FRB · Final individual capital requirements for large banks

(28/09) · Credit and capital

The Federal Reserve Council (FRB) has published the final individual capital requirements for large banks, which will enter into force on October 1, 2025. These requirements are based on the results of the resistance tests, which offer a prospective and sensitive evaluation of risk over capital needs. The total capital requirement includes: a mandatory minimum of 4.5 %, a capital mattress derived from resistance tests (minimum 2.5 %), and, if applied, additional surcharge due to systemic risk for larger and complex banks. In addition, it is indicated that the Federal Reserve (Fed) could soon end a standard proposed in April that averages the results of the tests of two consecutive years, with the aim of reducing volatility year by year. On the other hand, the entity is still evaluating Morgan Stanley's request to review its capital mattress, and a decision is expected before September 30, 2025. ([more detail](#))

Brazil

SUSEP · New version of the Accounting Practices Manual with specific guidelines for insurance risk notes transactions

(07/14) · Accounting

The Brazilian Superintendence of Private Insurance (SUSEP) has released a new version of its Accounting Practices Manual, including specific guidance on operations involving insurance risk notes (LRS). The update aims to standardize the accounting treatment of such operations, facilitate proper bookkeeping by supervised institutions, and enhance transparency in the insurance sector's financial reporting. The revised manual also incorporates minor adjustments in other sections to reflect recent regulatory developments. Institutions subject to these guidelines must adapt their accounting procedures in accordance with the new guidelines. SUSEP emphasizes that this manual will be subject to periodic reviews to keep pace with changes in the regulatory framework. ([more detail](#))

Chile

CMF · Regulations updating the reporting obligations under the Fraud Act

(07/01) · Financial crime · Payments

The Financial Market Commission (CMF) has issued a regulatory update modifying General Character Standard 8 (NCG) N° 487, pursuant to changes introduced by Law N° 21.673, to adjust the information requirements established in Article 11 of Law N° 20.009 regarding the use of payment cards and electronic transactions in cases of loss, theft, robbery, or fraud. The update introduces changes in the processing of notices and claims, and in cases of payment suspension or legal actions. Additionally, the frequency of submission of the Normative File E24 is increased from semiannual to quarterly, except for information corresponding to the year 2025, which will remain semiannual. The regulation also governs the publications that entities must make on their websites with aggregated information on disputed operations. This regulation replaces management letters N° 92027189 and N° 92400106, and aims to improve the understanding of cases that may arise under Law N° 20.009. ([more detail](#))

CMF · Public consultation on the draft regulation on customer service channels in banking institutions

(07/14) · Strategy and commercial

The Financial Market Commission (CMF) has published a new regulatory proposal on customer service channels in banking institutions, in compliance with Articles 37 and 38 of the General Banking Law, as amended by Law No. 21,521 (Fintec Law). The regulations establish minimum operating requirements for branches and digital channels, including the obligation to maintain at least one operational channel for banking transactions, and set minimum opening hours from Monday to Friday between 9:00 a.m. and 2:00 p.m. Standards of 95% daily and 99% monthly availability for digital channels are introduced, as well as obligations regarding security, complaint handling, and inclusive service conditions. The consultation will be open until July 27, 2025. ([more detail](#))

CMF · Resolution amending General Rule to set minimum standards for security and customer authentication in electronic payment systems

(08/07)

The Financial Market Commission (CMF) has published a resolution amending General Rule (NCG) No. 538, which sets minimum standards for security and customer authentication in electronic payment systems. The changes refine definitions, adjust terminology, and extend the timeline for certain key requirements. In particular, two obligations, eliminating the use of printed coordinate cards for authentication and enforcing Strong Customer Authentication (ARC) in certain transactions, have been postponed and will only come into force on 1 August 2026, while the rest of the rule remains effective from 1 August 2025. ([more detail](#))

CMF · Public consultation on regulations regarding the outsourcing of services by insurance and reinsurance companies

(08/14)

The Financial Market Commission (CMF) has published for consultation a new regulation on the outsourcing of services by insurance and reinsurance companies. The proposal, which complements General Rule (NCG) No. 454 on operational risk management and cybersecurity, aims to strengthen supervisory practices by setting a framework for risk management assessment. It requires insurers to identify and manage risks linked to outsourcing, classify outsourced activities by criticality, implement robust oversight and auditing mechanisms, ensure business continuity through contingency plans, strengthen information security and cybersecurity, and include clear contractual clauses with minimum service levels. It also addresses concentration and technological dependency risks, while ensuring that outsourcing does not reduce governance responsibilities. The public consultation will remain open until September 30, 2025, after which the CMF will review industry feedback before finalizing the regulation. ([more detail](#))

CMF · Decision to incorporate credit advisors who register under the Fintec Law into REDEC

(08/14)

The Financial Market Commission (CMF) has published its decision to incorporate companies providing Credit Advisory services as reporting entities to the Consolidated Debt Registry (REDEC). These firms, regulated under the Fintech Law (Law No. 21.521), must first be registered and authorized in the CMF's Financial Service Providers Registry before applying for REDEC participation, which entails compliance with data management, information security, and cybersecurity requirements. The decision follows the acceptance of an appeal to General Rule (NCG) No. 540 and aligns with the CMF's mandate to ensure both proper functioning and development of financial markets. As a safeguard, credit bureaus joining REDEC may only access personal debtor information with explicit consent, while also gaining access to anonymized debtor data, enabling them to enhance risk assessment services and support better credit offerings for users. ([more detail](#))

CMF · Public consultation on proposal to update General Rules in light of the changes introduced by Fintech Law

(08/19)

The Financial Market Commission (CMF) has published for consultation a proposal to update General Rules (NCG) No. 16 and No. 182 in light of the changes introduced by Law No. 21.521 (Fintech Law). The amendments to NCG No. 16 modernize the documentation requirements for registration in the Registry of Stockbrokers and Securities Agents, while also incorporating the process and requirements for the authorization of securities intermediation services. In parallel, the amendments to NCG No. 182 update the documentation needed for registration in the Registry of Product Exchange Brokers. Stakeholders may submit comments until September 8, 2025. ([more detail](#))

CMF · Public consultation on regulations regarding the submission of minimum equity information and guarantees applicable to General Fund Administrators and Portfolio Managers

(08/20)

The Financial Market Commission (CMF) has published for consultation draft regulatory files to supervise the requirements contained in General Regulation (NCG) No. 526. These proposals apply both to General Fund Managers (AGF), introducing new files into the Fund Information Systems Manual, and to other portfolio managers registered with the CMF. The draft regulations specify the format, frequency, and means by which entities subject to Titles I and II of Law No. 20,712 must submit information for supervision, covering business volumes, minimum capital and risk-weighted assets, capital requirements for crypto-assets, and portfolio management data. The public consultation will remain open until September 15, 2025, and the CMF has postponed the entry into force of NCG No. 526 to July 1, 2026, to allow entities sufficient time to adapt. ([more detail](#))

CMF · Modification to the General Standard (NCG) N ° 258

(09/04) · Credit and capital · Market and ALM

The Commission for the Financial Market of Chile (CMF) has published a modification to the General Standard (NCG) No. 258, with the aim of incorporating bilateral compression of derivative portfolios in the regulatory framework applicable to the central counterpart entities (ECC). This modification reinforces credit and liquidity risk management in compensation and liquidation systems, aligning local regulations with international standards such as the principles for financial market infrastructure (PFMI) and the EMIR Regulations. The new standard establishes definitions, operational stages, communication and traceability requirements for compression processes, which must be incorporated into the OCC operation rules. After a public consultation process in July 2025, the focus on bilateral compression was maintained, leaving open multilateral compression open. ([more detail](#))

Colombia

SFC · The SFC Editorial Committee is created as a new internal body

(08/04)

The Financial Superintendency of Colombia (SFC) has published Resolution No. 1513 of 2025, creating its Editorial Committee as a new internal body responsible for reviewing, evaluating, and recommending the publication of editorial products in print or digital formats. The committee will oversee the quality, relevance, and consistency

of SFC publications such as bulletins, analyses, and research outputs, ensuring they align with the institution's mission and contribute to strengthening its public image. It will also define editorial policies, set principles for academic and editorial quality, and establish procedures for approving publications. The resolution enters into force upon its publication, and the Editorial Committee will begin operating immediately to evaluate and guide future SFC publications. ([more detail](#))

SFC · Instructions regarding the transition regime for compliance with architecture, security, and technology standards within the framework of open finance models

(08/06)

The Financial Superintendency of Colombia (SFC) has published External Circular 009 of 2025, which sets a transitional regime for compliance with architecture, security, and technology standards under open finance models. The circular updates prior guidance (Circular 004 of 2024) by establishing new deadlines for supervised entities that implement open finance schemes different from those already regulated. Entities will now have up to six months, starting from August 8, 2025, to comply with the required standards, ensuring interoperability, data protection, and technological safeguards in their services. The SFC will harmonize these instructions with the forthcoming government decree on mandatory open finance, once issued. ([more detail](#))

SFC · Public consultation on draft External Circular aimed at strengthening the liquidity of the capital markets

(08/22)

The Financial Superintendency of Colombia (SFC) has published for consultation a draft External Circular aimed at strengthening the liquidity of the capital markets, implementing the provisions of Decree 1239 of 2024. The proposal introduces secondary regulation on advisory activity, general investment instructions, liquidity providers, short selling, securities lending, and securities financing, while also updating the Basic Legal Circular to align with the new framework. Key elements include clearer duties of advisory, requirements for general investment instructions, transparency obligations on short selling, and rules for recurrent securities lending programs. Comments may be submitted until September 5, 2025, after which the SFC will finalize the regulation, with a six-month transition period for implementation. ([more detail](#))

SFC · Public consultation on the draft External Circular with instructions for managing environmental, social, and climate risks in institutions supervised by the SFC

(08/22)

The Financial Superintendency of Colombia (SFC) has published for consultation a draft External Circular with instructions for managing environmental and social risks, including climate-related risks, in supervised entities. The proposal introduces a new chapter in the Basic Accounting and Financial Circular setting out mechanisms, tools, and procedures for identifying, measuring, controlling, and monitoring these risks, as well as specific rules for managing them in credit operations. Entities will have up to 18 months from the date of publication to implement the requirements and must submit an implementation plan to the SFC by January 30, 2026. Comments may be submitted until September 5, 2025, after which the SFC will finalize the circular, allowing entities the option of early adoption, with potential public recognition for those that do so. ([more detail](#))

SFC · External Circular 0013 of 2025 on technical reservations and adoption of IFRS 17 in terms of insurance

(09/05) · Accounting

The Financial Superintendency of Colombia (SFC) has published the External Circular 0013 of 2025, which establishes instructions on the technical reservation regime for insurance entities and adapts the provisions of the International Financial Information Standard (IFRS) 17 applicable to insurance contracts. The document introduces calculation methodologies for different reserves, including accidents warned and not warned, asset failure, and liquidity premiums, in addition to guidelines for presentation in financial information. Implementation and adjustment plans are set, which include the obligation to refer to adoption and follow-up reports to the SFC. The new rules will take effect mandatory as of January 1, 2027. ([more detail](#))

SFC · Modification of the pro forma statement on real interest rates on the loan portfolio balance

(09/19) · Credit & capital

The Financial Superintendency of Colombia (SFC) has released for public comment a draft External Circular proposing amendments to proforma F.1000-98 (format 317) real interest rates of the credit portfolio balance. The update introduces two new reporting modalities for variable-rate credit operations, referencing the Consumer Price Index (IPC) and the Banking Reference Indicator (IBR). The aim is to enhance the accuracy, relevance, and supervisory value of reported data on real interest rates for prudential oversight and analytical purposes. Mandatory testing will take place from 4 to 21 November 2025, using data as of 31 December 2024, and the first official submission of the updated proforma will be based on data as of 31 December 2025. ([more detail](#))

SFC · Modification of instructions to standardize information reports to the Attorney General's Office

(09/22) · Reporting

The Financial Superintendency of Colombia (SFC) and the Attorney General's Office (FGN) have published for consultation a draft Joint External Circular that modifies the operating instructions for the reporting of judicial information by banking establishments. The proposal repeals the 10 annexes established by External Circular 032 of 2021 and replaces them with a simplified structure consisting of six new annexes that reorganize the technical formats, instructions, and associated documents. The objective is to standardize and optimize the

quality, traceability, and efficiency of responding to judicial requests, reducing the operational burden and improving institutional interoperability. The new formats will take effect on February 1, 2026. ([more detail](#))

BANREP · External Operational and Service Circular on Regulations for the Operational Mechanism for Settlement (MOL)

(09/22) · Transactional banking

The Central Bank of El Salvador (BANREP) has published External Operational Circular DSP-471 Subject 20, which introduces the Regulations for the Operational Mechanism for the Settlement of Depository Service (MOL) Transfers. These regulations establish the procedures and conditions under which fund transfers between Depository Service participants will be settled through the accounts they hold at the Bank. The mechanism seeks to strengthen the efficiency, security, and traceability of the settlement process and will apply to transactions involving payments between financial entities and other authorized institutions. This Circular is part of the operational framework for the modernization of the Colombian financial system and will enter into force on September 30, 2025. ([more detail](#))

SFC · Draft external circular on instructions regarding the regime governing transactions between credit institutions

(09/25) · Credit & capital

The Financial Superintendency of Colombia (SFC) has published for comment a draft External Circular establishing instructions on the regime for transactions between credit institutions and the entities referred to in paragraph 2.1.19.1.1 of Decree 2555 of 2010, with their related parties. This initiative develops Decree 1358 of 2024, which updates the rules on related party transactions to strengthen transparency and corporate governance, issued in response to the recommendations of the Financial System Assessment Program (FSAP) led by the International Monetary Fund (IMF) and the World Bank, and aims to strengthen transparency, corporate governance, and financial stability. Among other aspects, it defines the criteria for identifying private equity funds and autonomous assets as related parties, and regulates the procedures for measuring, monitoring, managing, and reporting these transactions. The new instructions, contained in Chapter XXXVI of the Basic Accounting and Financial Circular (CBCF), will enter into force on May 9, 2026. ([more detail](#))

Mexico

CNBV · Regulatory amendment on financing limits, common risk, and internal control for credit unions and other non-bank financial institutions

(07/23) · Capital, liquidity and leverage · Government

The National Banking and Securities Commission (CNBV) of Mexico has issued a resolution amending the General Provisions applicable to general warehouses, currency exchange houses, credit unions, and regulated multiple-purpose financial companies. The amendments aim to strengthen the regulatory framework regarding risk diversification and financing for members, particularly in socially disadvantaged areas. Key changes include revised limits on financing and risk concentration, new obligations for verifying Common Risk, a ban on charging interest in advance, and additional provisioning requirements for foreclosed or dation-in-payment assets. The resolution also updates key definitions, enhances governance and internal control measures, and introduces specific obligations regarding confidentiality and information security. The resolution took effect on July 24th, 2025, and applies to existing financing operations, granting credit unions a six-month period to adapt internal data verification procedures. ([more detail](#))

CNBV · Regulatory amendment on financing limits, common risk, and diversification for Cooperative Savings and Loan Societies

(07/23) · Capital, liquidity and leverage

The National Banking and Securities Commission (CNBV) has issued a resolution amending the General Provisions applicable to the activities of Cooperative Savings and Loan Societies (SOCAPs). The reform establishes a comprehensive framework for risk diversification, focusing on financing limits and the identification of Common Risk groups. It sets differentiated financing caps for individual members, legal institutions, other SOCAPs, and productive microloans, and outlines specific criteria for identifying related financial interests. It also clarifies how guarantees are to be considered in calculating such limits. SOCAPs are required to define and document procedures to detect common risk relationships and must report breaches to the CNBV within ten business days. The resolution applies to existing financing operations and grants a six-month transition period for institutions to implement the required internal processes. ([more detail](#))

CNBV · Regulatory update on simplified issuers and supervisory obligations for stock exchanges

(07/23) · Reporting · Compliance

The National Banking and Securities Commission (CNBV) has issued a resolution amending the General Provisions applicable to stock exchanges, introducing the new category of simplified issuers and strengthening the obligations of exchanges in their registration and oversight. Key changes include new requirements for internal policies, monitoring mechanisms, disciplinary actions, procedures for suspension and resumption of trading, and documentary evidence of compliance. The resolution also renames Title V to address the simultaneous trading of securities across multiple exchanges. Stock exchanges will have six months to update their internal regulations

and manuals, while the CNBV has three months to review and approve them. The resolution enters into force on July 24, 2025. [\(more detail\)](#)

CNBV · Resolution that modifies the general provisions applicable to stock market houses

(09/03) · Accounting · AAMM + Private Banking

The National Banking and Securities Commission (CNBV) has published in the Official Gazette of the Federation (DOF) the resolution that modifies the general provisions applicable to the stock market houses with the objective of incorporating adjustments to the accounting framework that allow registering the valuation of capital investments that are not negotiated in the short term but which appear as negotiable financial instruments. These changes seek to reduce accounting volatility by unrealized valuations, and converge with financial information standards (IFRS). Likewise, various annexes and regulatory reports are updated, including the repeal of the A-1811 report. The resolution will enter into force on January 1, 2026 and the changes must be applied in accordance with Financial Information B-1 on accounting changes and error corrections. [\(more detail\)](#)

CNBV · Resolution that modifies the general provisions applicable to investment funds and people who provide services

(09/04) · Credit and capital - Provisions

The National Banking and Securities Commission of Mexico (CNBV) has published a resolution that modifies the general provisions applicable to investment funds and the persons who provide services. The main objective is to adapt the accounting framework to properly reflect the valuation of capital investments that are not negotiated in the short term but are classified as negotiable financial instruments, in order to reduce the accounting volatility generated by not made values. It also seeks to ensure convergence with the Financial Information Standards (IFRS) and strengthen regulatory compliance through details and adjustments to the applicable accounting criteria and regulatory reports. Annexes 5, 6, 7, and parts of Annex 8 (R01 and R13) of the current provisions are replaced. The resolution will enter into force on January 1, 2026. [\(more detail\)](#)

SHCP · Resolution that modifies provisions applicable to general warehouses, exchange houses, credit unions and regulated multiple financial companies

(09/08) · Accounting

The Ministry of Finance and Public Credit of Mexico (SHCP) has published a resolution that modifies the general provisions applicable to the general warehouses of deposit, exchange houses, credit unions and multi-object financial companies regulated. The objective is to update accounting criteria and regulatory reports to align the regulations with the International Financial Information Standards (IFRS), reducing the volatility derived from not made valuations and incorporating more precise rules on preventive reserves, valuation of financial instruments, reporting operations and recognition of credit portfolio. Likewise, various regulatory annexes related to minimum catalogs, reclassifications, consolidation and financial statements are replaced. The resolution will enter into force on January 1, 2026. [\(more detail\)](#)

SHCP · Resolution that modifies general provisions applicable to financial technology institutions

(09/09) · Finance – Transactional banking

The Ministry of Finance and Public Credit of Mexico (SHCP) has published a resolution that modifies the general provisions applicable to financial technology institutions, in particular to collective financing institutions and electronic payment fund institutions. The objective is to adapt the accounting framework and regulatory reports to International Financial Information Standards (IFRS), reducing the volatility derived from not carried out value and specifying criteria on financial instruments, reporting operations, accounts receivable, virtual assets and cryptocurrencies. Likewise, annexes related to minimum catalogs, reclassifications, consolidation and financial statements are replaced, establishing detailed guidelines for the presentation and revelation of information. The resolution will enter into force on January 1, 2026. [\(more detail\)](#)

SHCP · General Economic Policy Criteria 2026

(09/11) · Tax · Financial crime

The Ministry of Finance and Public Credit of Mexico (SHCP) has published the General Criteria of Economic Policy 2026, which seek to strengthen collection, guarantee the sustainability of public finances and strengthen the stability of the financial system. The document incorporates fiscal measures of special relevance for banking entities, including the elimination of tax benefits linked to the institute of the Institute for Banking Savings Protection (IPAB) and the increase in retention of Income Tax (ISR) in interest, in addition to regulatory reforms aimed at strengthening protection to savings and prevention of money laundering. The application is scheduled for January 1, 2026. [\(more detail\)](#)

SHCP · Resolution on accounting criteria and financial information of the credit institutions

(09/12) · Accounting

The Ministry of Finance and Public Credit of Mexico (SHCP) and the National Banking and Securities Commission (CNBV) have published in the Official Gazette of the Federation (DOF) a resolution that modifies the accounting criteria and presentation of financial information applicable to credit institutions. The objective of the publication is to update and specify the rules that govern the recognition, valuation, presentation and revelation of banking operations, in order to strengthen transparency, consistency and comparability of the financial statements in the financial system. This resolution will enter into force on January 1, 2026. [\(more detail\)](#)

Peru

SBS · Guidelines for the rectification of credit information and regularization of delinquent debt in the Central Credit Register

(07/17) · Reporting and compliance

The Superintendency of Banking, Insurance and Private Pension Fund Administrators (SBS) has issued Resolution SBS No. 02531-2025, establishing new guidelines for correcting and regularizing credit information in the Credit Risk Registry via the Report on Rectifications and Regularizations of the Credit Report of Debtors (RRCD). The resolution defines procedures for addressing errors detected through user complaints or internal audits, and for updating data following the settlement of overdue debts. It also amends the Regulation of Infractions and Penalties by classifying non-compliance with the rectification terms as a minor infraction. The resolution will come into effect on August 8, 2025, repealing the previous circulars issued in 2010. ([more detail](#))

SBS · Resolution establishing new regulations for the classification and valuation of investments

(07/30)

The Superintendence of Banking, Insurance, and Private Pension Fund Administrators (SBS) has published the Resolution No. 2664-2025, which approves the new Regulations on the Classification and Valuation of Investments by Financial System Companies. The main objective of this reform is to harmonise accounting criteria with International Financial Reporting Standards (IFRS), specifying the classification of investments, the treatment of impairment and the methodology for measuring expected credit losses. The resolution will enter into force on 1 January 2027. ([more detail](#))

SBS · Resolution amending the Accounting Manual for Financial System Companies

(07/30)

The Superintendence of Banking, Insurance, and Private Pension Fund Administrators (SBS) has published the Resolution No. 2663-2025, which amends the Accounting Manual for Financial System Companies to align it with International Financial Reporting Standards (IFRS) 9, IFRS 13, IFRS 15 and IFRS 7, introducing updates to general provisions, financial statement formats, the catalogue of accounts, complementary information requirements, and several annexes and reports; it also sets transition rules requiring institutions to recognise the effects of new impairment models and asset reclassifications in retained earnings and to provide comparative disclosures. The resolution will enter into force in January 2027, with two exceptions: i) Article 6 takes effect the day after publication (31 July 2025); and ii) Article 7 applies from March 2026. ([more detail](#))

SBS · Resolution amending the Liquidity Risk Management Regulation and the Accounting Manual

(08/14) · Credit and capital

The Superintendence of Banking, Insurance, and Private Pension Fund Administrators (SBS) has issued Resolution SBS No. 02869-2025, amending the Liquidity Risk Management Regulation and the Accounting Manual to classify Exchange-Traded Fund (ETFs) composed exclusively of sovereign bonds issued by the Government of Peru and traded intraday as liquid assets for the calculation of liquidity ratios, with corresponding updates to reporting requirements in the daily and monthly liquidity reports. The resolution enters into force on 1 September 2025. ([more detail](#))

SBS · Public consultation on the amendment of the pilot testing regulations to include non-supervised companies

(09/22) · Compliance

The Superintendency of Banking, Insurance, and Pension Fund Administrators (SBS) has published for public consultation a draft amendment to the Regulations for the Temporary Implementation of Activities in Innovative Models (approved by SBS Resolution No. 2429-2021) in order to expand access to financial innovation pilot tests to legal entities not supervised by the Superintendency. The draft defines new requirements, conditions, and procedures for authorizing participation, incorporating mechanisms for user protection, risk management, information security, and liquid guarantees. It also adjusts deadlines (up to 18 months, renewable for 12 months), details rules for group applications, and updates the TUPA to include a specific authorization procedure. The aim is to encourage competition and financial inclusion while maintaining prudential and consumer protection standards. The public consultation will be open until October 3, 2025. ([more detail](#))

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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



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