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

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

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Executive Summary

In the first quarter of 2025, the ISSB issued guidance on how to make climate related disclosures in line with its standards. Europe has intensified its regulatory agenda on sustainability, artificial intelligence and risk management. Among the most significant developments at the local level, Spain has begun transposing the Recovery and Resolution and Solvency II directives, while the UK has delayed the implementation of Basel 3.1 until January 2027

Global

Globally, the quarter saw progress in climate disclosure, financial stability, and the evolution of prudential and accounting standards. Of particular note was the ISSB's guidance to support climate disclosure aligned with IFRS S1 and S2, incorporating transitional measures such as the "climate first" approach. At the same time, the FSB reinforced the role of transition plans for financial stability, while the BCBS published recommendations to improve the transparency and predictability of margins in centralized and non-centralized markets and updated its monitoring of the impact of Basel III, noting that most banks already comply with the final framework, although gaps remain in some cases (especially due to the output floor). In addition, the IASB published the IFRS 2025 accounting taxonomy, and there were significant developments in the insurance and markets sectors (IAIS and IOSCO) in terms of supervision, digitization, and cryptoassets.

Europe

In Europe, regulatory activity focused on strengthening ESG integration, risk management, and technological transformation, along with simplification measures. The EBA published its final guidelines on ESG risk management and launched a consultation on ESG scenario analysis guidelines, reinforcing the use of forward-looking approaches to assess financial resilience to physical and transition risks. In addition, it made progress on key elements of the prudential and supervisory framework through consultations on the prudential treatment of crypto-assets under CRR, proportionality in SREP, and internal model benchmarking, as well as technical developments in AML/CFT. At the same time, the European Commission published guidelines to clarify the application of the AI Act (definition of AI systems and prohibited practices) and launched the Omnibus package to simplify obligations in CSRD, CSDDD, Taxonomy, CBAM, and InvestEU. From the supervisory and insurance perspective, the ECB issued clarifications on ICAAP/ILAAP, while EIOPA published recommendations on the incorporation of natural disaster risks in Solvency II and consulted on AI governance and risk management in insurance. In resolution, the SRB updated operational guidelines and opened a consultation on resolvability testing to strengthen the operational preparedness of institutions.

Local

At the local level, publications reflected regulatory adjustments with operational impact on banking, insurance, sustainability, and conduct. In Spain, the process of transposing IRR and Solvency II began, and relevant amendments were published in the areas of funds and depositaries and climate reporting (carbon footprint registration).

In the United Kingdom, the focus was on adapting the prudential calendar with the delay of Basel 3.1 until January 2027, along with initiatives related to emerging risks such as cybersecurity and AI.

In the Americas, publications focused on supervision and stability stood out: in the US, the Fed published the hypothetical scenarios for the annual stress test and the PROTECT USA legislative project on sustainability was promoted; in Chile, the CMF made progress on prudential and financial innovation reforms; and in Peru, the SBS maintained a particularly active agenda with consultations and updates on derivatives, investments, AML/FT, market conduct, electronic money, and consolidated supervision.

Executive Summary

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

Global

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

European Region

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

Local

The Bank of Spain submitted for consultation an amendment to Circular 4/2017, with a view to adapting accounting regulations to the latest changes in international financial reporting standards (IFRS 9, IAS 1, IAS 8 and IAS 12).

In the United Kingdom, the Bank of England and the Financial Conduct Authority (FCA) addressed adjustments to the mortgage lending threshold, outlined expectations regarding implicit support risk (intervention risk), introduced new reporting requirements for international branches and proposed regulatory measures on crypto-assets, including lending, asset locking and decentralized finance.

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

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.

Executive Summary

In the fourth quarter of 2025, regulatory activity remained intense, with key developments across prudential frameworks, sustainability, governance, digital regulation and operational resilience. The quarter's agenda underscored a growing focus on regulatory simplification, enhanced supervisory convergence and the strengthening of frameworks to address emerging structural risks, including technology and third-party dependencies, climate-related exposures and geopolitical pressures, across global, European and local jurisdictions

Global

The quarter saw significant developments in operational resilience, technology risk management and sustainability. The BCBS published its final principles for the prudent management of third-party risk, strengthening the operational resilience framework and the comprehensive management of critical dependencies. In addition, relevant progress was made in international privacy and cybersecurity standards (ISO/IEC 27701:2025) and in climate disclosure requirements, through ISSB amendments to IFRS S2 on GHG emissions.

Europe

In Europe, the quarter's regulatory agenda was shaped by progress across prudential regulation, sustainability, supervision, resolution and digital transformation.

On the prudential side, the EBA published its 2026 Work Programme, prioritising simplification and proportionality of the prudential framework, strengthening risk and data analytics capabilities, and accelerating the technology agenda under DORA and MiCA, alongside key consultations on the SREP, supervisory stress testing and technical developments linked to CRR III and CRD VI.

From a supervisory perspective, the ECB set out its 2026–2028 priorities, focusing on enhancing banks' resilience to macro-financial and geopolitical risks, strengthening operational resilience and ICT capabilities in line with DORA, and advancing digital transformation and governance, including the management of risks related to AI adoption and cloud services.

In sustainability, key highlights included the EBA's Guidelines on ESG scenario analysis and the Commission's proposal to reform SFDR, together with further simplification and digitalisation initiatives through Omnibus packages and EDPS guidance on AI and data protection.

Local

In Spain, regulatory developments focused on updating the accounting and reporting framework through Banco de España Circular 1/2025, which strengthens alignment with EU-endorsed IFRS, revises the treatment of country risk and moves towards greater use of granular data through the CIR. In addition, AESIA published practical guidance to support the implementation of the AI Act, with a particular focus on high-risk systems and operational criteria for deployment.

In the United Kingdom, regulatory activity was geared towards simplifying the insurance framework, advancing the regulatory approach to cryptoassets and strengthening assurance standards for sustainability-related information, through relevant publications by the FCA, the PRA and the FRC.

In Latin America, the regulatory agenda was particularly intense in Brazil and Chile. In Brazil, the Central Bank advanced initiatives on social, environmental and climate-related information, the development of the Banking-as-a-Service (BaaS) framework and updates to prudential reporting and stress testing requirements. In Chile, the CMF launched multiple consultations and regulatory projects linked to Basel III, financial reporting for insurance companies and the modernisation of supervisory information systems. In addition, relevant developments were observed in Colombia and Mexico on sustainability, conduct and accounting frameworks, with cross-cutting implications for the financial sector.

Regulatory Outlook

In the first quarter of 2026, Europe will focus on the adoption and application of revised ITS and delegated acts covering ESG risks, operational risk, taxonomy, securitisation and access to financial data. In parallel, the ECB will publish the final guidelines on Governance and Risk Culture, while the FCA will continue consultation and review processes aimed at simplifying the regulatory framework for insurance. In Latin America, intense regulatory activity is expected, with relevant developments in Brazil in the area of sustainability-related financial disclosure and the assessment of IFRS adoption, and strong regulatory activity in Chile with impacts across multiple sectors, particularly banking and insurance

Featured regulatory projections

1. Next quarter

- **(Europe) 2026:**
 - EBA: i) Final version of the ITS on amended disclosure requirements for ESG risks, equity exposures and aggregate exposure to shadow banking entities; ii) Final technical package for the implementation of the amended ITS on operational risk, including the DPM model, validation rules, and XBRL taxonomy; iii) Final Document on Retail Diversification Guidelines and Methods.
 - EC: i) Adoption of Circular Economy Act; ii) European Climate Change Adaptation Plan; iii) Legislative proposal to extend the CBAM.
 - ECB: Final guidance on Governance and Risk Culture.
- **(Europe) Q1 2026:**
 - EP/Council: i) Adoption of the Taxonomy delegated acts; ii) Approval of the Securitization Framework; iii) Negotiation and possible adoption of the revision of the SFDR, based on the proposal submitted by the EC; iv) Negotiation and approval of the major package to fully integrate EU financial markets.
- **(Europe) January 2026:**
 - ESAs: Publication of the final Guidelines on the integration of ESG risks in supervisory stress tests conducted by competent authorities.
- **(UK) 2026:**
 - FCA: Consultation and review process under Policy Statement 25/21 to simplify insurance rules, including potential changes to consumer duty scope and reporting requirements.
- **(Brazil) 2026:**
 - 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) Q1 2026:**
 - 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, which establishes the legal framework for the incorporation and operation of private securities deposit and custody entities (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; xii) Assessment of obstacles hindering the development of banks' internal models; xiii) Regulation on insurance information other than life annuities; xiv) Regulatory adjustments for the implementation of the temporary pension reduction clause (NCG 218, Circulars 1194 and 1815); xv) Regulation on information requirements for parametric insurance; xvi) Amendment to NCG No. 152, regarding requirements for companies investing in foreign investment funds; xvii) Regulations defining standards of conduct for banks, insurance companies, and AGFs in their interactions with customers.
- **(Colombia) Q1 2026:**
 - 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) Q2 2026:**
 - EIOPA: Revision and expansion of the stochastic valuation content in EIOPA's Supervisory Review Process (SRP) Manual.
- **(Europe) Q3 2026:**
 - ECB: Results of reverse stress test on geopolitical risk.
- **(Europe) Q4 2026:**
 - EC: Legislative act on the circular economy.
- **(UK) Q2 2026:**
 - FCA: Consultation on disapplying the Consumer Duty to non-UK business.
- **(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

- **(Colombia) 2027:**
 - SFC: Start of the transition period for the implementation of IFRS 17.
- **(Peru) Q4 2027:**
 - SBS: Final publication of the standard adopting IFRS 17.

Entry into force dates

1. Next quarter

- **(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) Q1 2026:**
 - Council: Regulation establishing a framework for access to financial data.
 - EC: Implementation of most provisions of the Artificial Intelligence Act.
- **(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) March 2026:**
 - EBA: i) First reference date for reporting under the amended ITS on operational risk; ii) Implementation of the new operational risk reports in COREP and updating of all modules linked to the DPM 2.0 glossary.
- **(Spain) January 2026:**
 - BdE: Application of the accounting changes introduced by Circular 1/2025, which modifies the financial reporting framework in relation to electricity-referenced contracts, classification and valuation of financial assets, derecognition of liabilities, and initial recognition of receivables.
- **(Spain) March 2026:**
 - BdE: First submission of monthly and quarterly reserved statements reflecting the accounting changes introduced by Circular 1/2025, with reference to March 31, 2026.
- **(UK) January 2026:**
 - BoE: Supervisory statement on Step-in Risk.
- **(US) January 2026:**
 - OCC: Optional early adoption of the amended eSLR standards under the final rule.
- **(Brazil) January 2026:**
 - BCB: i) Complementary Law No. 214/2025, which creates taxes on goods and services (IBS) and social security contributions (CBS); ii) Joint Resolution No. 18/2025
- **(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.

2. Next year

- **(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) June 2026:**
 - BdE: First application of changes to reserved statements with reference to June 30, 2026, for half-yearly statements and modifications relating to credit risk coverage due to country risk, in accordance with Circular 1/2025.
- **(Spain) December 2026:**
 - BdE: First application of changes to reserved statements with reference to December 31, 2026, for annual statements, in accordance with Circular 1/2025.
- **(UK) December 2026:**
 - FCA: General Requirements for Sustainability Assurance Engagements.
- **(US) April 2026:**
 - OCC: Final rule amending the eSLR and related regulatory capital standards.
- **(Brasil) July 2026:**
 - BCB: Application of specific obligations under the resolution on the submission of quantitative information for the ICAAP, ICAAP-Simp and stress tests, applicable when the lead entity of a cooperative system exercises the powers provided for in CMN Resolution No. 5,223/2025.
- **(Chile) June 2026:**
 - CMF: i) Entry into force of NCG No. 537/2025 incorporating interest-free quotas into the National Facilitation Mechanism (MNF); ii) Entry into force of the modification of the Fund Information System.
- **(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) July 2026:**
 - SFC: Deadline for submission of the implementation plan to comply with the new EPR and PAC/PAL instructions.

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; iii) Revised SREP and supervisory stress testing guidelines.
 - 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.
- **(Brasil) January 2027:**
 - BCB: Resolution launching the second phase of the GRSAC Report, initially applicable to institutions classified in segments S1 and S2.
- **(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.
- **(Colombia) 2028:**
 - SFC: i) Entry into force of the main instructions on the EPR and the PAC/PAL; ii) Entry into force of IFRS 17.
- **(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 y AI
R	Recovery & resolution	O	Others

Index of this quarter's most important publications

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	Global	IAIS	O	Issues Paper on Structural Shifts in the Life Insurance Sector	21/03/2025	25
	Global	IASB	C D	Major update to the IFRS for SMEs accounting standard	28/02/2025	26
	Global	IOSCO	E	2025 Work Program	17/03/2025	27

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EU	EBA		Final Guidelines on the management of ESG risks	13/01/2025	30
EU	EBA		Public consultation on its draft Guidelines on ESG scenario analysis	20/01/2025	32
EU	EBA		Peer review on the application of proportionality under SREP	21/01/2025	33
EU	EBA		Consultation on the amendment of ITS on benchmarking of internal models	28/02/2025	34
EU	EBA		Consultation on four draft RTS for the AML/CFT framework	10/03/2025	35
EU	EC		Guidelines on the definition of an AI system under the AI Act and Guide	10/02/2025	36
EU	EC		Omnibus amendments to CSRD, CSDDD, EU Taxonomy, CBAM, and Investment Programs	27/02/2025	38
EU	EC		Report on the Streamlining Sustainable Finance for SMEs	21/03/2025	40
EU	ECB		Clarification on the ICAAP and the ILAAP	13/02/2025	41
EU	EIOPA		Recommendations on updates to the way natural catastrophe risks are accounted for in insurers' standard formula calibrations	03/02/2025	42
EU	EIOPA		Consultation on the opinion on AI governance and risk management in the insurance sector	17/02/2025	43
EU	EIOPA		Supervisory statement on the deduction of foreseeable dividends from own funds under the Solvency II Directive	24/02/2025	44
EU	EIOPA		Peer review on the supervision of stochastic valuation under Solvency II	10/03/2025	45
EU	SRB		Update on operational guidance on OCIR	28/01/2025	46

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Spain	BOE		Amendment of CNMV Circulars on Funds and Depositaries	17/03/2025	48
Spain	MINECO		Transposition of the Solvency II and IRR Directives	17/03/2025	49
Spain	MITECO		The Royal Decree that creates the registry of carbon footprints, offsets and carbon dioxide absorption projects	18/03/2025	50
UK	PRA		Delay in the implementation of Basel 3.1 in the UK	21/01/2025	51
UK	FCA		Assessing and reducing the risk of MLTM	28/01/2025	52
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US	US Senate		The Prevent Regulatory Overreach from Turning Essential Companies into Targets Act of 2025 (PROTECT USA)	19/02/2025	55
Chile	CMF		Public Consultation on Chapter 21-10 and Adjustments to the RAN and Compendium of Accounting Standard	08/01/2025	56
Chile	CMF		Second time application of Pillar 2 capital requirement regulations	23/01/2025	57
Chile	CMF		Fintech Information System Manual Creation Policy	23/01/2025	58
Peru	SBS		Consultation on the Regulation for the negotiation and accounting of derivative financial instruments in companies of the financial system	09/01/2025	59
Peru	SBS		Draft regulation approving the new Regulation for the Classification and Valuation of Investments of Financial System Companies	09/01/2025	60
Peru	SBS		Draft regulation that approves the regulation for the prevention of ML/FT	13/03/2025	61

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Peru	SBS		Public consultation on the draft amendment of the Regulation for the Consolidated Supervision of Financial and Mixed Conglomerates	31/03/2025	64
Global	BCBS		Final document of the voluntary framework for the disclosure of climate-related financial risks	18/06/2025	65
Global	IAIS		Application Paper on the Supervision of Climate-related Risks in the Insurance Sector	21/04/2025	66
Global	IAIS		Guidance on transitioning to a risk-based solvency regime	24/06/2025	67
Global	ISSB	 	Draft amendments to International Financial Reporting Standard (IFRS) S2 on climate-related disclosures.	29/04/2025	68
Global	ISSB		Guidance on transitioning to a risk-based solvency regime under IFRS S2	25/06/2025	69
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EU	EBA		First climate risk dashboard for the EU/EEA banking sector	30/04/2025	73
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EU	EIOPA	CL E	Public consultations on group supervision, related undertakings, and volatility adjustments following Solvency II	09/04/2025	79
EU	EIOPA	CL E	Europe-wide liquidity stress test of occupational pension funds	10/04/2025	80
EU	EIOPA	R	First consultation package for the preparation of the implementation of the Insurance Recovery and Resolution Directive (IRRd)	30/04/2025	81
EU	SRB	R	Public consultation on valuing banks in resolution	04/04/2025	82
Spain	BdE	CL	Public consultation prior to the modification of Circular 4/2017, with the aim of updating the rules on public and confidential financial information, as well as the financial statement templates	10/04/2025	83
UK	BoE	C	Consultation on proposed amendments to the PRA Regulation and the FCA Guide in relation to the de minimis threshold for the loan-to-income flow limit on loans	07/04/2025	84
UK	BoE	E	Supervisory Statement (SS) regarding the Prudential Regulation Authority's (PRA) expectations around firms undertaking step-in risk assessments.	25/04/2025	85
UK	FCA	T	DP25/1 on the regulation of Cryptoasset Activities	09/05/2025	86
UK	BoE	CL	International firms: Updates to SS5/21 and branch reporting	21/05/2025	87
Chile	CMF	CL	Modification to Chapters 21-6 and 8-40 of the Updated Compilation of Banking Regulations (RAN), as well as to General Rules No. 303 and 451	30/04/2025	88
Chile	CMF	CL	Public consultation on new rule on minimum net worth requirements for securities intermediaries and commodity broker-dealers	27/05/2025	89
Chile	CMF	CL	Regulation establishing the formula for the minimum payment on credit cards, along with certain exceptions	06/06/2025	90

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Chile	CMF	C	Regulatory proposal setting the maximum fees to be paid by pension funds	11/06/2025	91
Chile	CMF	CL	Public consultation on parametric insurance	30/06/2025	92
Colombia	SFC	CL	Circular on the guidelines for the stress test scenarios required by the supervisor for 2025	03/04/2025	93
Colombia	SFC	E	Draft External Circular on instructions for managing environmental and social risks in supervised entities	06/05/2025	94
Colombia	SFC	CL	External Circular on instructions related to the technical reserve regime for insurance companies and the adoption of technical regulatory frameworks for financial reporting applicable to insurance contracts	22/05/2025	95
Colombia	SFC	C	Draft for the external circular: Guidelines for the management of conduct risk within the framework of the Comprehensive Risk Management System (SIAR)	27/05/2025	96
Colombia	SFC	CL	Circular regarding the rescheduling of the dates for submitting the stress test results required by the supervisor for 2025	25/06/2025	97
EU	EBA	CL	Final GL on ADC exposures	03/07/2025	98
UE	EBA	CL	Draft Guidelines on the methodology to estimate and apply credit conversion factors under the CRR	04/07/2025	99
UE	EBA	CL	Consultation on draft amended guidelines on the application of the definition of default under CRR	08/07/2025	101
UE	EBA	CL	Consultation on draft RTS amending the RTS on own funds and eligible facilities	14/07/2025	102
UE	EBA	S	Consultation on oversight on greenwashing risks	14/07/2025	103
EU	EBA	D	Consultation paper on the ITS on supervisory reporting requirements for third-country branches	01/08/2025	104
EU	EBA	CL	Results of its 2025 EU-wide stress test	05/08/2025	105
EU	EBA	CL	RTS on operational risk losses under the EU Banking Package implementation	06/08/2025	106

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EU	EBA	CL R	Public consultation on amending the RTS on resolution plans and resolution colleges	07/08/2025	108
EU	EBA	S	No-action letter on the application of ESG disclosure requirements and update of the EBA risks dashboard	11/08/2025	109
EU	EBA	CL G	Public consultation on revised Guidelines on internal governance under CRD	03/09/2025	110
EU	EBA	CL D	Draft technical package and new enhanced DPM 2.0 glossary	09/09/2025	111
EU	EC	E D	Final Delegated Act amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts	09/07/2025	112
EU	EC	S	Delegated Regulation amending the ESRS for companies belonging to wave one	15/07/2025	113
EU	EC	E D	Recommendation on Voluntary Sustainability Reporting Standard for SMEs	31/07/2025	114
EU	ECB	CL	Final version of the revised Guide to internal models	29/07/2025	116
EU	ECB	CL	Final version of the revised policies on options and discretions	30/07/2025	117
EU	EFRAG	S	Revised ESRS Exposure Drafts	01/08/2025	118
EU	EIOPA	CL	Public consultation on revised Guidelines on the Supervisory Review Process	04/07/2025	120
EU	EIOPA	R	Consultation papers on draft technical standards related to the IRRDs	28/07/2025	121
EU	ESAs	S	Consultation paper on guidelines on the integration of ESG risks in supervisory stress tests conducted by competent authorities	01/07/2025	122
EU	SRB	R	Final version of the operational guidance for banks on resolvability self-assessment	11/08/2025	123
EU	SRB	R	Operational guidance on resolvability testing for banks	29/09/2025	124

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UK	GOV.UK	S	UK Green Taxonomy consultation response	18/07/2025	126
México	SHCP	O	General Economic Policy Criteria 2026	12/09/2025	127
México	DOF	CL	Resolution amending the General Provisions applicable to credit institutions	15/09/2025	128
Peru	SBS	CL	Resolution establishing new regulations on the classification and valuation of investments by companies in the financial system	01/09/2025	129
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Global	ISO	T	Standard ISO/IEC 27701:2025 on information security, cybersecurity, and privacy protection	17/10/2025	132
Global	ISSB	S	Targeted amendments to GHG emissions disclosure requirements in IFRS S2 Climate-related Disclosures	11/12/2025	133
EU	AMLA	P	Advancing harmonised EU AML/CFT supervision	18/12/2025	134
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EU	EBA	E	Work Programme 2026	06/10/2025	137
EU	EBA	E CL	Consultation on the revised SREP and supervisory stress testing guidelines	29/10/2025	138
EU	EBA	CL	Final draft of RTS on criteria for assessing the materiality of CVA risk arising from securities financing transactions	03/11/2025	140
EU	EBA	CL	Public Consultation on the Guidelines on the authorisation of TCBs under the CRD	07/11/2025	141
EU	EBA	S	Final Guidelines on ESG scenario analysis	07/11/2025	142
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Q4

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EU	EC		Proposal for a Regulation amending the PEPP Regulation and a proposal for a Directive amending the IORP II Directive and the IDD	01/12/2025	147
EU	EC		Package of measures to fully integrate EU financial markets	04/12/2025	149
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EU	EIOPA		Proposal for a natural catastrophe risk awareness and prevention tool (PROTECT)	03/12/2025	164
EU	EIOPA		New consultation package on the implementation of the IRRD	09/12/2025	165
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EU	SRB		Modernised expectations on EoVC in the event of a crisis	16/12/2025	172
SP	AESIA		Guidelines on the application of the Artificial Intelligence (AI) Regulation	10/12/2025	173
SP	BOE		Law 10/2025 of 26 December, regulating customer service (LSAC)	26/12/2025	174
SP	BdE		Circular 1/2025, amending Circular 4/2017 and Circular 1/2013	31/12/2025	175
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UK	FCA		Consultations on cryptoasset regulation in UK	16/12/2025	179
UK	FRC		ISSA (UK) 500 General Requirements for Sustainability Assurance Engagements	13/11/2025	180
UK	PRA		Policy statement 25/25 updating supervisory statement 3/19	03/12/2025	181
USA	FDIC		Rescission of Principles for Climate-Related Financial Risk Management	20/10/2025	182
USA	OCC		Final rule amending eSLR and related regulatory capital standards	25/11/2025	183
Brazil	BCB	 	Public consultation on a regulatory proposal launching the second phase of the GRSAC Report	06/11/2025	184
Brazil	BCB		Joint resolution providing for the provision of BaaS by financial entities, payment entities, and other entities authorised to operate	28/11/2025	185
Brazil	BCB	 	Joint Resolution No. 18/2025, which establishes the quality policy for information provided by financial entities and other entities authorized to operate by the BCB	28/11/2025	186

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Brazil	BCB	 	Resolution on the submission of quantitative information for the ICAAP, the ICAAP-Simp, and stress tests using scenarios provided by the BCB	05/12/2025	187
Chile	CMF		Regulatory report prior to the second consultation on amendments to the RAN, CNC, and NCG within the framework of Basel III	27/10/2025	188
Chile	CMF		Regulatory Report on the requirement associated with liquidity monitoring for insurance companies and the creation of the MSI Seguros	30/10/2025	189
Chile	CMF		Draft regulation on the presentation of financial statements by insurance companies	30/10/2025	190
Chile	CMF		Modification of the Fund Information System	21/11/2025	191
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Chile	CMF	 	Regulatory proposal for the Modernization of the Regulatory Framework for CACs supervised by the CMF: RAN CACs and MSI CACs	30/11/2025	193
Chile	CMF		Draft regulation on External Audit Firms	16/12/2025	195
Colombia	SFC		External Circular 0015 of 2025, which introduces specific instructions for the management of environmental and social risks	08/10/2025	196
Colombia	SFC		Draft Circular setting out instructions on the EPR and the PAC and PAL	22/12/2025	197

Q1 Relevant publications

Global

07/02/2025



CL BCBS - Public consultation on a limited update of the Credit Risk Principles

1. Context

In 2000, the BCBS published the Credit Risk Principles to guide banking supervisors in assessing credit risk management across four key areas: risk environment, credit granting, administration and monitoring, and controls. In 2023, a review of the BCBS reaffirmed their importance but identified certain sections as outdated or not fully aligned with the Basel Framework.

In this context, the BCBS has launched a **public consultation on a limited update of the Credit Risk Principles**. The purpose of this initiative is to align them with the current Basel Framework and the latest Committee guidelines, without altering their core content or introducing new topics.

2. Main points

- **Principle 1.** The board of directors should have responsibility for approving and periodically (at least annually) reviewing the credit risk strategy and significant credit risk policies of the bank. The strategy should reflect the bank's tolerance for risk and the level of sustainable returns the bank expects to achieve for incurring various credit risks, taking into account market conditions, macroeconomic factors and forward-looking information. As a novelty, the Principle now includes references to established international standards and supervisory practices, specifically the Basel Core Principles (BCP).
- **Principle 2.** Senior management should have responsibility for implementing the credit risk strategy approved by the board of directors and for developing policies and procedures for identifying, measuring, evaluating, monitoring, reporting and controlling or mitigating credit risk (including counterparty credit risk). Such policies and procedures should address credit risk in all of the bank's activities and at both the individual credit and portfolio levels. In this Principle, the wording has been aligned with the revised BCP, and references to the BCP definitions of country and transfer risk have been added.
- **Principle 3.** Banks should identify and manage credit risk inherent in all products and activities. Banks should ensure that the risks of products and activities new to them are subject to adequate risk management procedures and controls before being introduced or undertaken and approved in advance by the board of directors or its appropriate committee. The wording has been aligned with the revised BCP, and one paragraph has been deleted as it is not directly related to credit risk management.
- **Principle 4.** Banks must operate within sound, well-defined credit-granting criteria. These criteria should include a clear indication of the bank's target market and a thorough understanding of the risk profile and characteristics of the borrower or counterparty, as well as the purpose and structure of the credit, and its source of repayment. The wording has been aligned with the revised BCP, a reference to the BCP definition of connected counterparties has been added, and references have been updated.
- **Principle 5.** Banks should establish overall credit limits at the level of individual borrowers and counterparties, and groups of connected counterparties that aggregate in a comparable and meaningful manner different types of exposures, both in the banking and trading book and on and off the balance sheet. The references have been updated, and the wording has been aligned with the Guidelines for counterparty credit risk management.
- **Principle 6.** Banks should have a clearly established process in place for approving new credits as well as amending, renewing, and refinancing existing credits and ensuring a thorough understanding of the risk profile and characteristics of the borrowers or counterparties. The wording has been aligned with the revised BCP.
- **Principle 7.** All extensions of credit must be made on an arm's-length basis. In particular, credits to related companies and individuals must be authorized on an exception basis and monitored with particular care, and other steps to control or mitigate the risks of non-arm's length lending must be taken as appropriate. There is no changes in this Principle.
- **Principle 8.** Banks should have in place a system for the ongoing administration of their various credit risk-bearing portfolios. The wording has been aligned with the revised BCP and relevant standards published since 2000.
- **Principle 9.** Banks must have in place policies, processes, and methodologies for grading, classifying, and monitoring all credit exposures (including off-balance sheet and forborne exposures), including establishing provisions and ensuring appropriate and robust provisioning levels. The wording has been aligned with the revised BCP, and references have been updated.
- **Principle 10.** Banks are encouraged to develop and utilize an internal risk rating system in managing credit risk. The rating system should be consistent with the nature, size, and complexity of a bank's activities. Some wording has been aligned with the revised BCP, and references have been updated.
- **Principle 11.** Banks must have information systems and analytical techniques that enable management to measure the credit risk inherent in all on- and off-balance sheet activities. The management information system should provide adequate information on the composition of the credit portfolio, including identification of any concentrations of risk. The wording of one paragraph 64 has been aligned with BCP and Supervisory Review Process (SRP).
- **Principle 12.** Banks should take into consideration current and forward-looking market and macroeconomic factors when assessing individual credits and their credit portfolios, and they should assess their credit risk exposures under stressful conditions. This principle has been deleted due to overlap with Principle 11 and BCP.
- **Principle 13.** Banks must establish a system of independent, ongoing assessment of the bank's credit risk management processes, and the results of such reviews should be communicated directly to the board of directors and senior management. The wording has been aligned with the revised BCP; paragraph 70 has been deleted as it is beyond the scope of the Credit Risk Principles; one paragraph has been streamlined to focus on credit risk; and other paragraph has been aligned with the stress testing principles.
- **Principle 14.** Banks must ensure that the credit-granting function is being properly managed and that credit exposures are within levels consistent with prudential standards and internal limits. Banks should establish and enforce internal

controls and other practices to ensure that exceptions to policies, procedures, and limits are reported in a timely manner to the appropriate level of management for action. Some wording has been aligned with the revised BCP.

- **Principle 15.** Banks must have a system in place for early remedial action on deteriorating credits, managing problem exposures, and similar workout situations. The wording of this Principle has been aligned with the revised BCP.
- **Principle 16.** Supervisors require that banks have an effective system in place to identify, measure, evaluate, monitor, report, and control or mitigate credit risk (including counterparty credit risk) as part of an overall approach to risk management. Supervisors should conduct an independent evaluation of a bank's strategies, policies, procedures, and practices related to the granting of credit and the ongoing management of the portfolio. Supervisors set prudential limits to restrict bank exposures to single counterparties or groups of connected counterparties. The wording has been aligned with the revised BCP.
- **Principle 17.** Supervisors should evaluate the quality of credit risk management systems and ensure that banks take appropriate actions to improve their credit risk management processes. The wording has been aligned with the revised BCP, and one paragraph has been updated to reflect the requirements in BCP and supervisory reporting.

3. Next steps

- Comments should be submitted by **21 March 2025**.

29/01/2025

E IAIS - Roadmap 2025-2026

1. Context

In recent years, the IAIS has worked to strengthen the regulation of the insurance sector in the face of challenges such as digitalization, climate change and structural changes. In 2024, it completed a key phase with the adoption of the Insurance Capital Standard (ICS), giving way to a new approach focused on the global implementation of standards, the assessment of emerging risks and support for supervisors, and defining new strategic priorities for the coming years, aligned with its Strategic Plan 2025-2029.

In this context, the IAIS has published its **roadmap for 2025-2026**, which details the priorities and activities that will guide its work over the next two years. Its objective is to ensure the consistent implementation of international supervisory standards, strengthen the resilience of the insurance sector and address emerging risks such as climate change, digitalization and protection gaps. In addition, the roadmap sets out initiatives to improve cooperation between supervisors, encourage the sharing of good practices and monitor key trends that may affect global financial stability.

2. Main points

The roadmap focuses on the following aspects:

- **Monitoring and responding to the main risks and trends in the insurance sector.** The IAIS uses its annual global monitoring exercise (GME) assessment to identify and address key risks and trends in the global insurance sector, with the main findings published in the global insurance market report (GIMAR). In 2025, it will conduct a triennial review of the GME methodology to improve the assessment and mitigation of systemic risks. In addition, in line with its Strategic Plan, it will develop a special report on the financial stability implications of natural catastrophe (NatCat) protection gaps. The IAIS will also work on monitoring vulnerabilities in the sector, such as structural changes in life insurance, the impact of digitalization and the growth of the reallocation of assets to alternatives outside the traditional sector.
- **Establishing and maintaining globally recognized standards for effective and proportionate supervision.** The IAIS continues its work to establish effective global supervisory standards with the adoption of the ICS at the end of 2024, providing a comparable measure of capital adequacy for international insurance groups (IAIGs). As a next step, it will work on developing complementary standards related to the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), focusing on group supervision, reporting and public disclosure, to ensure consistent implementation of the ICS. In 2025, it will focus on consolidating the standard, providing support to supervisors and developing its assessment methodology.
- **Supporting members by sharing good supervisory practices, promoting understanding of regulatory issues and strengthening capacities.** The IAIS will continue to help its members address key risks and trends in insurance supervision, including emerging issues such as climate change, cybersecurity, diversity and inclusion (DEI) and digital innovation, as well as traditional areas such as solvency governance, operational resilience and financial inclusion. To this end, it will review and strengthen its set of support materials, foster collaboration with other organizations and facilitate the sharing of experiences. In addition, it will promote the training of supervisors by publishing guides on climate risks, digital innovation and operational resilience, and will develop tools for risk-based supervision and the implementation of the ICS.
- **Assess the comprehensive and consistent global implementation of international standards.** The IAIS is committed to strengthening its framework for evaluating the implementation of global standards, using various tools to ensure their effective and consistent application in all jurisdictions. In 2025-2026, it will focus on developing the ICS assessment methodology, completing the second phase of the Holistic Framework Implementation Assessments, and continuing with the Member Assessment Program (MAP). In addition, it will prepare reports on reinsurance and risk transfer, as well as evaluations of the implementation of the qualitative elements of ComFrame, with a view to starting these evaluations in 2026.

3. Next steps

- In the **Q2 2025**, a public consultation on the triennial review of the GME methodology will be launched, and the IAIS Year in Review 2024 report will be issued.
- In the **Q3 2025**, the GIMAR 2025 Mid-Year Update will be published with information on risks and trends in the sector.
- In the **Q4 2025**, the GIMAR 2025 report will be published.

21/03/2025

o IAIS - Issues Paper on Structural Shifts in the Life Insurance Sector

1. Context

The increasing complexity of global financial markets has led regulatory bodies to closely monitor structural changes in key sectors, including life insurance. The sector has faced significant transformations in recent years, driven by evolving investment strategies, new risk transfer mechanisms, and macroeconomic shifts. As insurers seek higher returns and greater portfolio diversification, their growing reliance on alternative assets and cross-border reinsurance transactions has raised new supervisory and financial stability challenges. Against this backdrop, international standard-setting bodies have sought to assess the implications of these trends and explore potential regulatory responses.

In this context, the IAIS has published the **issues paper on structural shifts in the life insurance sector**. This document aims to analyze emerging industry trends, providing a framework for understanding their implications and identifying potential areas for enhancement in IAIS supervisory material. The publication focuses on two key developments: the increased allocation to alternative assets in life insurers' portfolios and the rising adoption of Asset-Intensive Reinsurance (AIR) agreements.

2. Main points

The paper introduces the following aspects:

- **Increased allocation to alternative assets in life insurers' portfolios.** Life insurers have traditionally relied on high-quality bonds and equities to meet their long-term liabilities. However, in response to prolonged low interest rates and the need for higher returns, insurers have increasingly invested in alternative assets such as private equity, real estate, infrastructure, hedge funds, and private credit. These assets provide benefits such as diversification, higher yields, and inflation protection. However, they also introduce significant risks, including valuation uncertainty, illiquidity, and hidden leverage. The IAIS underscores the importance of a principles-based classification of alternative assets and highlights the need for enhanced risk management and supervisory oversight to address these challenges.
- **Rising adoption of AIR in the life insurance sector.** The use of AIR has grown as insurers seek capital relief and investment flexibility. AIR transactions typically involve transferring capital-intensive liabilities, such as annuities and long-term life insurance products, to reinsurers (many of which are affiliated with asset managers or private equity firms). These transactions can provide risk diversification benefits but also introduce supervisory concerns, including regulatory arbitrage, recapture risk, and the concentration of risks in certain jurisdictions. The IAIS warns that differences in reserving practices, capital requirements, and investment rules across jurisdictions could create financial stability risks and require closer cross-border supervisory coordination.
- **Macroprudential and financial stability considerations arising from structural shifts life insurance.** The IAIS highlights potential systemic risks arising from structural shifts in the life insurance sector. The growing allocation to alternative assets and AIR transactions could amplify financial market vulnerabilities, especially during periods of economic stress. Risks include forced asset liquidations, capital outflows, and disruptions in key investment and lending markets. While the global insurance sector's exposure to these risks remains moderate, the rapid expansion of these activities requires close supervisory monitoring. The IAIS stresses the need for improved data collection, transparency, and risk assessment to mitigate potential financial stability threats.
- **Review of IAIS supervisory material.** The IAIS has assessed whether its existing supervisory frameworks, particularly the Insurance Core Principles (ICPs) and the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), adequately address the risks associated with alternative assets and AIR transactions. While these frameworks provide a solid foundation, the IAIS has identified areas for potential enhancement, including risk assessment methodologies, supervisory coordination on cross-border transactions, and the governance of investment strategies involving alternative assets.
- **Conclusion.** The IAIS acknowledges that structural shifts in the life insurance sector, particularly the increased reliance on alternative assets and AIR transactions, are reshaping risk dynamics within the industry. While these developments offer potential benefits, such as improved portfolio diversification and capital efficiency, they also introduce new complexities that require careful regulatory oversight. The IAIS emphasizes the need for continued monitoring, data collection, and cross-border cooperation to ensure that these trends do not create unintended financial stability risks. Supervisors are encouraged to remain proactive in adapting their regulatory approaches to address emerging risks effectively.

3. Next steps

- The public consultation period closes on **May 19, 2025**.
- The final version of the paper is expected in **Q4 2025**

28/02/2025

C IASB - Major update to the IFRS for SMEs accounting standard
D



1. Context

In September 2022, the IASB issued a draft regulation proposing amendments to the International Financial Reporting Standard (IFRS) for small and medium-sized enterprises (SMEs), aligning it with the full IFRS standards in effect until January 1, 2020. Subsequently, in September 2023, the IASB expanded the scope of the revision to include recent changes related to vendor financing arrangements and the absence of currency convertibility. After a period of deliberation and public consultation, these proposals were refined and finally adopted in the update published in February 2025.

In this context, the IASB has published a **major update of the IFRS for SMEs accounting standard**. The objective of this publication is to improve the quality and comparability of SME financial reporting by aligning the standard with full IFRS in key respects and providing greater clarity on the accounting treatment of certain elements, such as vendor financing arrangements and the absence of currency convertibility.

2. Main points

The update includes the following main modifications:

- **Section 2: General Concepts and Principles.** It has been updated to align with the 2018 Conceptual framework for Financial Reporting. New concepts on measurement, presentation and disclosure have been introduced, and principles such as prudence, responsible management, measurement uncertainty and substance over form have been clarified.
- **Section 9: Consolidated Financial Statements.** The control model of IFRS 10 Consolidated Financial Statements has been adopted, improving the definition of control and establishing that companies that lose control over a subsidiary must measure their shareholding at fair value at the time of losing the majority shareholding. The rebuttable presumption of control when an entity holds a majority of voting rights has been maintained.
- **Section 11: Financial Instruments.** The sections on financial instruments (Section 11: Basic Financial Instruments and Section 12: Other Financial Instrument Issues) have been combined into a single section under a new approach aligned with IFRS 9 Financial Instruments. New requirements for the classification and measurement of financial assets and liabilities have been added, along with a clearer definition of financial guaranteed contracts.
- **New Section 12: Fair Value Measurement.** The fair value measurement requirements of other parts of the standard were consolidated into a single section. The definition of fair value was updated, and the principles were aligned with the hierarchy established in IFRS 13 Fair Value Measurement.
- **Section 19: Business Combinations and Goodwill.** It was modified to align with IFRS 3 Business Combinations. The concept of a business was redefined, the identification of the acquirer in mergers was clarified and new criteria for measuring goodwill were introduced, considering its amortisation and recognition of acquisition costs in the income statement, with special emphasis on improving the measurement and recognition of acquired assets and assumed liabilities.
- **Section 23: Revenue from Contracts with Customers.** It was revised to align it with IFRS 15 Revenue from Contracts with Customers. A recognition model based on five steps was incorporated, simplified to facilitate its application by SMEs. Accounting judgment requirements were reduced, and flexibility was maintained in the treatment of guarantees and contract procurement costs.

3. Next steps

- The updated standard will come into effect in **January 2027**, with the possibility of early application.

17/03/25

E IOSCO - 2025 Work Program



1. Context

Through a process of international coordination among securities regulators from more than 130 jurisdictions, IOSCO is defining its strategic priorities to address emerging challenges in global financial markets. This process is developed through the joint work of its Council, composed of 35 regulatory authorities, and in collaboration with organizations such as the Financial Stability Board (FSB), the Committee on Payments and Market Infrastructures (CPMI) or the World Bank. The aim is to strengthen financial resilience, promote fair market practices and protect investors by aligning regulatory actions with international standards. These priorities are structured around key issues such as liquidity management in open-end funds, risks in digital finance, the use of artificial intelligence (AI) in markets and financial sustainability, among others.

In this context, IOSCO has published its **2025 work program**, setting out its strategic priorities to strengthen financial resilience, improve market efficiency and protect investors in an increasingly complex global environment. The objective of this publication is to provide a clear and coordinated roadmap to address emerging risks in financial markets by promoting consistent and aligned regulatory practices across jurisdictions internationally.

2. Main points

The Work Program establishes the priorities for 2025:

- **Strengthening financial resilience.** IOSCO will continue to prioritize issues related to non-bank financial intermediation (NBFIs), in close collaboration with the FSB. This includes IOSCO's ongoing contribution to the FSB's work on leverage in NBFIs and addressing issues related to non-bank data availability, use and quality. Additionally, IOSCO will finalize its Revised Recommendations and the accompanying Implementation Guidance on opened funds liquidity management, ensuring they reflect evolving market dynamics and contribute to greater resilience in the asset management industry.
- **Supporting market effectiveness.** To support market integrity and efficiency, IOSCO will address risks associated with pre-hedging practices employed by market intermediaries, with the aim of identifying potential vulnerabilities and ensuring fair market practices. IOSCO will also review its Principles for the Valuation of Collective Investment Schemes, taking into account the growing significance of private assets in the asset management industry.
- **Protecting investors.** Following the publication of its Roadmap to Retail Investor Online Safety, IOSCO will take targeted actions to tackle risks posed by imitative and copy trading, poor digital engagement practices, potential conflicts of interest by neo-brokers and the activities of influencers. IOSCO and its members will also actively engage with social media companies and search engines to combat online financial harm against retail investors, including through the launch of IOSCO's IOSCO Investor Alerts Portal (I-SCAN).
- **Addressing risks in sustainable finance and fintech.** IOSCO will launch a pilot crypto and digital assets (CDA) implementation monitoring initiative, closely cooperating with the FSB. IOSCO will further develop its work on the use of AI in financial markets and continue monitoring the evolution of asset tokenization in securities markets. Lastly, working with the CPMI, IOSCO will seek to strengthen the operational resilience of financial market infrastructures (FMIs). IOSCO will work alongside the World Bank to support interested jurisdictions in developing carbon markets. IOSCO will also expand its analysis of the sustainable bond markets and ESG indices and conduct an assessment of the implementation of its sustainability-related recommendations for asset management.
- **Promoting regulatory cooperation and effectiveness.** IOSCO will continue its outreach and technical assistance efforts to help jurisdictions meet the requirements of the IOSCO Multilateral Memorandum of Understanding (MMoU). IOSCO will expand its Nurturing Excellence Through Growth, Education, and Networking (NEXTGEN) program, with plans to offer over 40 capacity-building initiatives in 2025.

03/02/2025



ISSB - Guide to help companies report climate-related information in line with IFRS Standards S1 and S2



1. Context

In June 2023, the ISSB published the IFRS S1 and S2 standards with the aim of establishing a global framework for the disclosure of sustainability- and climate-related information. During their development, investors expressed an urgent need for climate-related information to support decision-making, while some stakeholders raised concerns about data availability and companies' readiness to disclose information on other sustainability-related risks and opportunities.

In this context, the ISSB has published a **guide to help companies report climate-related information in line with IFRS Standards S1 and S2**. Its objective is to provide practical guidance on the effective application of these standards, facilitating the integration of climate information into corporate reports in a clear and comparable manner. In response to the concerns raised by investors, the ISSB incorporated transitional relief measures into its standards, including the "climate-first" approach, allowing companies to initially focus on climate-related disclosures before expanding to other sustainability aspects.

2. Main points

The guide covers the following main aspects:

- **Climate-first approach.** The document introduces the climate-first approach, a transitional relief measure that allows companies, in their first year of applying the ISSB Standards, to disclose only information on climate-related risks and opportunities, in accordance with IFRS S2. This approach helps companies become familiar with the concepts and requirements of the ISSB Standards before expanding their reporting to cover other sustainability risks and opportunities.
- **Application of IFRS S1 in the climate-first context.** When adopting the climate-first approach, companies should apply the requirements of IFRS S1 to the extent that they relate to the disclosure of information on climate-related risks and opportunities, in accordance with IFRS S2. This involves complying with the relevant provisions of IFRS S1 to ensure full and accurate disclosure of climate-related information.
- **Jurisdictional and voluntary considerations.** The ISSB Standards are designed to provide globally comparable information on sustainability risks and opportunities, including climate, for capital markets. Their application becomes mandatory when regulators in jurisdictions integrate them into financial reporting frameworks and regulatory requirements. In addition, companies may choose to voluntarily apply the ISSB Standards to improve transparency and meet investor expectations.
- **Applicable requirements of IFRS S1 under the climate-first approach.** The document provides a detailed table describing the applicable IFRS S1 requirements when adopting the 'climate-first' approach. This table helps companies identify and apply the relevant IFRS S1 provisions to ensure adequate disclosure of climate-related information.

Q1 Relevant publications

European Region

10/01/2025

CL EBA - Consultation Paper on draft RTS on the prudential treatment of crypto assets 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 a **consultation on a draft Regulatory Technical Standards (RTS) on the prudential treatment of crypto assets exposures under the Capital Requirements Regulation (CRR)**, aligning its treatment with the Basel framework.

2. Main aspects

The draft includes the following main aspects:

- **Capital treatment of exposures to crypto-assets.** The draft RTS clarify the capital treatment of credit risk, counterparty risk, market risk and credit valuation adjustment risk for (ARTs) and other crypto-assets linked to traditional tokenised assets whose value depends on other crypto-assets. They also include all relevant technical elements on the use of netting, the aggregation of long and short positions, the criteria for allowing hedge recognition for other crypto-assets, and the relevant underlying formulae for calculating the exposure value of crypto-assets for counterparty and market risk treatment.
- **Valuation and accounting challenges for crypto-assets.** These draft RTS propose that all fair valued crypto-assets within the scope of MiCAR under the applicable accounting framework are subject to the prudent valuation requirements under CRR 3. The transitional provisions of CRR 3 together with the rules set out in these draft RTS allow institutions to appropriately calculate the capital requirement on their crypto-asset exposures until a permanent prudential treatment comes into force.

3. Next Steps

- The deadline for the submission of comments is **8 April 2025**.
- The BCBS standard on prudential treatment of crypto-asset exposures should be implemented by **1 January 2026**.

13/01/2025

**EBA - Final Guidelines on the management of ESG risks****1. Context**

The EBA, under one of the mandates foreseen in the Capital Requirements Directive (CRD 6), is required to develop guidance on minimum standards and reference methodologies for the identification, measurement, management and monitoring of environmental, social and governance (ESG) risks by institutions. In January 2024, the EBA published a consultative document on guidelines for ESG risk management.

In this context, the EBA has published **final guidelines on the management of ESG risks**. These guidelines set requirements for the internal processes and ESG risks management arrangements that institutions should have in place, to ensure the resilience of the business model and risk profile of institutions in the short, medium and long term. The final version takes into account the feedback received during the consultation period and includes some significant changes from the draft version.

2. Main aspects

The guidelines include the following main aspects:

Reference methodology for the identification and measurement of ESG risks

- **Materiality assessment.** Institutions must perform a materiality assessment of ESG risks at least annually, or biennially for small and non-complex institutions (SNCIs). The final version only requires SNCIs to update their assessment more frequently in case of material changes (under draft version it was required for all kind of institutions). These assessments should evaluate the financial materiality of ESG risks to the business model and risk profile, mapping ESG factors to traditional financial risk categories, and integrating with the internal capital adequacy assessment process (ICAAP) materiality assessment. Risk management, measurement methods, and transition planning processes must align with these assessments. SNCIs can adopt simpler arrangements if proportionate to their assessment outcomes, while ESG risk metrics should guide updates to the materiality assessment. On the other hand, the draft version included materiality presumptions sector-based and an EU taxonomy alignment-based, while the final version removes them.
- **Identification and measurement of ESG risks.** Institutions' internal procedures should include tools and methodologies to assess ESG risk drivers and their transmission channels into the different prudential risk categories and financial risk metrics affecting the institution's exposures, including with a forward-looking perspective. Furthermore, institutions based on regular and comprehensive materiality assessments of ESG risks, should ensure that they are able to properly identify and measure these risks through sound data processes and a combination of methodologies, including exposure-, portfolio-, sector-, and scenario-based methodologies. The draft guidelines specified the International Energy Agency (IEA) sectors to be measured for portfolio alignment purposes, while the final version allows institutions to use other science-based scenarios.

Minimum standards and reference methodology for the management and monitoring of ESG risks

- **ESG risk management principles.** Institutions should consider the role of ESG risks as potential drivers of all traditional categories of financial risks, including credit, market, operational (including litigation risk), reputational, liquidity, business model, and concentration risks. Institutions should develop a robust and sound approach to managing and mitigating ESG risks over the short and medium term and over a long-term horizon of at least 10 years, and should apply a range of risk management tools including engagement with counterparties. The final Guidelines clarify that SMEs may be included in the scope of counterparties to engage with, depending on institutions' nature of activities.
- **Strategies and business models.** Institutions should integrate ESG risks into their business and risk strategies by assessing their operating environment and exposure to structural changes driven by ESG factors over the short, medium, and long term. They must evaluate how ESG risks, particularly environmental risks such as transition and physical risks, could impact the viability of their business model, sustainability of their strategy, profitability, and revenue sources. Additionally, institutions should consider how these risks might affect their ability to achieve strategic objectives within their risk appetite and should formulate, implement, and monitor plans and targets accordingly.
- **Risk appetite, internal controls and ICAAP/ILAAP.** Institutions should embed ESG risks in their regular processes including in the risk appetite, internal controls and ICAAP/ILAAP. The final Guidelines have clarified that institutions should determine their KRIs based on their business model. Also, the three lines of defence functions have been further aligned with EBA Corporate Governance Guidelines. Additionally, the final Guidelines have separated the requirements on ICAAP and on ILAAP to focus the latter on E and on appropriate time horizons within the scope of ILAAP coverage.
- **Monitoring.** Institutions should monitor ESG risks through effective internal reporting frameworks and a range of backward- and forward-looking ESG risk metrics and indicators.

Plans in accordance with CRD 6

- **Transition plans.** The final version expands the definition of transition planning to include preparing for risks and potential changes in business models, as well as implementing objectives for monitoring and addressing ESG risks. Institutions should develop specific plans to address the risks arising from the transition and process of adjustment of the economy towards the regulatory objectives related to ESG factors of the jurisdictions they operate in. To this end, institutions should assess and embed forward-looking ESG risk considerations in their strategies, policies and risk management processes through transition planning considering short-, medium- and long-term time horizons. CRD-based plans take a risk-based view and contribute to the overall resilience of institutions towards ESG risks and should be consistent with transition plans prepared or disclosed by institutions under other pieces of European Union (EU) legislation. The final guideline includes an annex to support institutions in developing these plans, providing for each

key requirement some examples, references (to Pillar 3 ESG and CSRD) and potential metrics that institutions can consider when structuring and formalising their plans.

- Key contents of the plans. Institutions should ensure that their plans include at least the following aspects: i) strategic objectives and roadmap of the plans; ii) targets and metrics; iii) governance; vi) implementation strategy; and v) engagement strategy.

3. **Next Steps**

- The Guidelines will apply from **11 January 2026** and one year later for SNCIs.

20/01/2025



EBA - Public consultation on its draft Guidelines on ESG scenario analysis



1. Context

Climate change, environmental degradation, biodiversity loss, and other environmental, social and governance (ESG) factors are driving significant economic and financial sector transformations, necessitating a shift towards sustainable and forward-looking management practices. Institutions need to strengthen their capacity for anticipation and the forward-looking dimension of their management systems. Scenario analysis is one of the key tools to support this change. On the 9 January 2025, the EBA published its Guidelines on the management of ESG risks.

In this context, the EBA has published for **consultation its draft Guidelines on ESG scenario analysis**. Through these guidelines, the EBA sets out expectations for institutions to adopt forward-looking approaches and incorporate the use of scenario analysis as part of their management framework in order to test their financial and business model resilience to the negative impacts of ESG factors. These guidelines complement the EBA's guidelines on ESG risk management by providing specific criteria for including physical and transitional risks arising from climate change in the scenarios used for internal credit risk stress testing.

2. Main aspects

The draft includes the following main aspects:

- **Scenario analysis an integral part of risk management and the strategic process.** These guidelines highlight scenario analysis to improve resilience with regard to environmental risks, in particular climate risks, distinguishing between its use to test financial resilience in the short and medium term (capital adequacy and liquidity) and to question the resilience of the business model in the long term to cope with future uncertainties.
- **Steps for scenario analysis.** The EBA elaborates in detail on the factors and elements to be taken into account in the design of the scenarios and encourages institutions to refine and customise them to take their own risk characteristics, portfolio and business model. Furthermore, it also specifies that both physical and transition risk should be taken into account even if this leads to the definition of two different scenarios. Finally, it also specifies the different transition pathways to be considered, ranging from rapid and coordinated global action to delays and divergent approaches.
- **Scenario analysis development processes and use in decision making.** Institutions should develop climate stress tests in accordance with the EBA guidelines on stress testing and the requirements of the internal capital adequacy assessment process (ICAAP) and the internal liquidity assessment process (ILAAP). When incorporating climate variables into existing stress testing frameworks, institutions should carry out a gap analysis of their internal models to identify whether improvements need to be made to them. To facilitate a smooth integration of climate variables, a two-step approach is allowed for both technical and decision-making aspects. Finally, the EBA also specifies how to challenge the calibration of its climate stress test (CST) model through comparison with external observations, internal reviews of the model design and if third party information is used, verifying that it complies with the EBA guidelines on outsourcing arrangements.

3. Next Steps

- The consultation runs until **16 April 2025**.
- The final Guidelines will be published on the second half of **2025**.
- The Guidelines will apply from **11 January 2026** and one year later for small and non-complex institutions (SNCI).

21/01/2025

CL EBA - Peer review on the application of proportionality under SREP**1. Context**

For years, the EBA has been promoting the application of the proportionality principle within the Supervisory Review and Evaluation Process (SREP) to ensure an appropriate approach to banking supervision in the European Union (EU). This principle seeks to enable national competent authorities (NCAs) to adapt their supervisory requirements and methodologies according to the size, complexity, and risk profile of the supervised entities, avoiding uniform approaches that could impose disproportionate burdens on smaller or less complex institutions. Prior to this peer review, the EBA had already issued guidelines and technical documents, such as the Guidelines (EBA/GL/2014/13), which set out a common framework for banking supervision in the EU, but the need arose to assess how national authorities were implementing the proportionality principle in practice.

In this context, the EBA has published its **peer review on the application of the principle of proportionality in the SREP**. The main objective of this review is to evaluate how NCAs in the Member States are implementing the principle of proportionality in practice, in line with the EBA Guidelines (EBA/GL/2022/03). It also aims to identify divergences in its application, share best practices, and propose improvements to ensure a more consistent and effective approach across the EU. Furthermore, the review seeks to promote supervision that appropriately balances regulatory demands with the specific characteristics of each entity, thereby strengthening harmonization and proportionality within the European banking supervisory framework.

2. Main aspects

The document includes the following main aspects:

- **Implementation of proportionality.** NCAs have incorporated proportionality in their methodologies, but with differences in the classification of entities and use of data, which has led to some inconsistencies. Although practices mostly comply with the SREP Guidelines, some NCAs have only partially implemented the proportionality principles, especially in the categorisation based on the classifications as 'large' or 'small and non-complex' entity, in accordance with the Capital Requirements Regulation (CRR).
- **Practical application.** The application of proportionality and supervisory commitments shows significant variations in practice. Although technological tools are used to ensure consistency and document decisions, the potential of clustering methodologies for entities with similar risk profiles has not been exploited due to the diversity of business models. However, good practices have been identified, such as the development of centralized systems to ensure greater homogeneity in evaluations and collaboration between NCAs for the exchange of experiences.
- **Proportionality in liquidity risk.** Regarding this risk's assessment, differences are observed among NCAs in the application of stress testing and the level of granularity used for less complex institutions. Some NCAs adapt their approach for lower-risk categories, while others have not implemented proportionality in specific areas, such as intraday liquidity risk.
- **Conclusions and recommendations.** Although proportionality is integrated into supervisory methodologies, there are still areas for improvement in the consistency of its application. Recommendations include incorporating CRR criteria into classifications, promoting the use of grouped methodologies, and conducting periodic reviews of categorizations. Additionally, strengthening training on proportionality is encouraged to enhance its practical implementation. The review highlights as good practices the proactive approaches of some NCAs to identify areas for continuous improvement and their commitment to more effective implementation.

3. Next Steps

- The EBA will conduct a follow-up peer review of the implementation of the measures included in the Report in **2027**.
- The EBA will consider the outcome of this peer review in the context of the upcoming review of the SREP Guidelines. In particular, the EBA will consider providing more clarity on how the focus and granularity of the SREP assessment could be adapted to the risk profile of the institution and on the scope and level of assessments to be performed under the minimum supervisory engagement model.

28/02/2025

CL EBA - Consultation on the amendment of ITS on benchmarking of internal models



R 1. Context

Article 78 of Directive 2013/36 on capital requirements (CRD) of the European Union (EU) requires competent authorities to conduct an annual assessment of the quality of the approaches used to calculate own funds requirements. This assessment is carried out by collecting and analysing data provided by financial institutions, which allows competent authorities to compare risk parameters and ensure consistency and accuracy in the internal rating based (IRB) models used by institutions.

In this context, the EBA has published a Consultation Paper on the **amendment of the ITS with regard to the benchmarking exercise of internal models for the 2026 exercise**. The objective of this publication is to update the templates and instructions to reflect the changes introduced under the new alternative internal rating based approach (AIMA) and to ensure that Institutions apply consistent modelling and valuation techniques. The most significant changes to the market risk framework include new templates for the collection of Alternative Internal Rating Based (A-IRB) risk measures under the Fundamental Review of Trading Book (FRTB) and the extension of the scope of the exercise to banks that apply only the Alternative Standardised Approach (ASA) methodology. For the credit risk framework, only minor changes are proposed.

2. Main points

The consultation includes the following main aspects:

- **Market risk.**
 - Benchmarking market risk. The templates have been updated for data collection within the framework of the AIMA, reflecting the changes in the Capital Requirements Regulation (CRR3) that transpose the Fundamental Review of the Trading Book (FRTB). Derived from those used in the Common Reporting (COREP) they incorporate new risk factor eligibility tests, risk measures in stress scenarios and charges for default risk. Given that most of the previous IMA CRR2 templates are no longer compatible with the new AIMA framework, they have been discarded. Furthermore, due to the complexity of implementing the FRTB, the initial scope of the data submission has been reduced to a more limited subset of instruments and portfolios.
 - Scope of the ASA data collection. The 2026 exercise will be the first in which the scope is extended to institutions using the FRTB ASA, significantly increasing the number of institutions in the scope of the benchmarking exercise. This will allow for a better assessment of institutions' ability to correctly implement the aggregation formulas of the Standardised Sensitivities Based Model (SBM).
 - Validation of ASA portfolios. Institutions must submit the set of instruments in Annex 10 so that the competent authorities can monitor the institutions' ability to correctly implement the SBM aggregation formulas. This validation is crucial to ensure accuracy and consistency in the presentation of data by the institutions.
- **Credit risk.** The instructions have been amended to provide a link between the asset classes used for the definition of the benchmark portfolios and the breakdown of the Internal Ratings Based (IRB) credit risk templates adopted in the revised ITS on supervisory reporting. This ensures that institutions use definitions that are consistent and aligned with current regulatory requirements (CRR3 and CRD6).

3. Next steps

- The consultation will be open until **26 May 2025**.
- These draft ITS will be submitted to the European Commission (EC) for approval before being published in the Official Journal of the European Union (OJEU). The ITS will apply 20 days after their publication in the OJEU.

10/03/2025

C EBA – Consultation on four draft RTS for the AML/CFT framework**1. Context**

On 12 March 2024, the EBA received a Call for Advice (CfA) from the European Commission (EC) on certain draft RTSs under the new European Union (EU) AML/CFT framework. This request is tied to the development of new RTSs that will ensure a consistent and harmonized application of AML/CFT rules across all EU member states. The move aligns with the broader EU AML reform, including the establishment of a single AML rulebook and the work of a new Anti-Money Laundering Authority (AMLA).

In this context, the EBA has published a Consultation **Paper on four draft RTS in the framework of AML/CFT**. Through these RTS, the EBA establishes harmonised standards and methodologies to ensure consistent supervision, risk assessment, customer due diligence (CDD) and enforcement across Member States.

2. Main points

Below is a summary of the key points for each of the RTS drafts contained in the consultation:

- **Selection criteria for direct AMLA supervision.** The EBA has proposed a two-step approach for determining which entities will be subject to direct AMLA supervision, first identifying eligible entities based on their cross-border activities in at least six Member States, and then applying a harmonized risk assessment methodology to classify them as low, medium, substantial, or high-risk. This standardized selection process ensures that AMLA focuses on entities with the most significant ML/TF risks while maintaining a consistent supervisory approach across Member States.
- **ML/TF risk assessment methodology.** The EBA has developed a harmonized methodology for assessing the ML/TF risk profiles of financial entities to ensure consistent risk classification across Member States. This methodology requires national supervisors to evaluate inherent risks based on an entities's business model, customer base, products, services, and geographic exposure, as well as the quality of internal AML/CFT controls to mitigate these risks and the residual risks that remain after considering their effectiveness. To ensure comparability across the EU, the EBA proposes a structured scoring system for risk classification, promoting a standardized approach that reduces regulatory fragmentation and facilitates cross-border compliance for financial entities.
- **CDD standards.** The EBA has proposed a risk-based framework for CDD that defines the scope and quality of information entities must collect while allowing for some flexibility. The proposal includes a structured approach to standard CDD, simplified due diligence (SDD), and enhanced due diligence (EDD), a list of acceptable document types and verification methods that permit entities to select the most appropriate sources, and requirements for the use of electronic identification (e-IDAS) for remote verification. This approach ensures that entities can balance regulatory compliance with operational efficiency while maintaining effective AML controls.
- **Sanctions and administrative measures.** To ensure uniform enforcement of AML/CFT regulations, the EBA has proposed standardized criteria for assessing AML breaches and determining penalty severity, a harmonized methodology for setting pecuniary sanctions and administrative measures, and guidelines for applying periodic penalty payments to ensure enforcement actions are proportionate, effective, and dissuasive. This framework promotes regulatory convergence across the EU, ensuring that AML/CFT violations are addressed consistently and that penalties serve as an effective deterrent.

3. Next steps

- The consultation closes on **6 June 2025**.
- The EBA will submit its response on **31 October 2025**.

10/02/2025

T EC - Guidelines on the definition of an AI system under the AI Act and Guide



1. Context

European Union (EU) Regulation No. 2024/1689 on Artificial Intelligence (AI Act) entered into force on 1 August 2024, establishing a harmonised regulatory framework for the development, commercialisation, implementation and use of artificial intelligence (AI) in the EU. Its purpose is to promote innovation and the adoption of AI, while ensuring high standards of protection in terms of health, safety and fundamental rights, including democracy and the rule of law. However, its application does not extend to all systems, but only to those that comply with the definition of an AI system established in the Regulation itself, making it a key element in determining its scope. To ensure a clear and uniform interpretation, the AI Act requires the EC to draw up guidelines to help suppliers, market players and institutions determine whether a particular system falls within its scope, thus facilitating effective compliance. It also classifies AI systems into four risk categories: unacceptable risk, high risk, transparency risk and minimal or no risk.

In this context, the EC has published **the Guidelines on the definition of an AI system under the AI Act and Guidelines on prohibited AI practices under Article 5 of the AI Act**. The objective of this publication is to assist providers and other interested parties in determining whether a system constitutes an AI system as defined in the IA Act, thereby facilitating effective implementation and enforcement of the AI Act. It is also intended to increase legal clarity and provide interpretations of the prohibitions in section 5 of the AI Act.

2. Main content

The Guidelines on the definition of an AI system contain the following main aspects:

- **Objective and main elements of the definition of an AI system.** The definition of an AI system includes seven key elements: a machine-based system, designed to operate with varying levels of autonomy, which can exhibit adaptability after deployment, with explicit or implicit objectives, which infers how to generate results, such as predictions, content, recommendations or decisions, which can influence physical or virtual environments.
- **Machine-based system.** AI systems are developed and run on machines, which include hardware and software components. These systems require computational capacity to process data and perform tasks, and may include advanced systems such as quantum computing. Hardware components include physical elements such as processing units, memory, storage devices, network units and input/output interfaces. Software components include computer code, instructions, programs, operating systems and applications that manage how the hardware processes data and performs tasks.
- **Autonomy.** AI systems are designed to operate with varying levels of autonomy, meaning that they can function with a certain degree of independence from human intervention. Inference capability is key to the autonomy of an AI system. Autonomy refers to the system's ability to generate results without direct human intervention, although there may be indirect supervision or intervention. Systems can range from those that require manual inputs to those that operate completely autonomously.
- **Adaptability.** Adaptability refers to the self-learning capacity of an AI system, allowing its behaviour to change while in use. This capacity is not mandatory for a system to be considered an AI system, but it is an important feature. Adaptability implies that the system can adjust its behaviour based on new experiences or data, which can result in different outcomes for the same inputs over time.
- **Objectives of the AI system.** AI systems operate according to one or more objectives, which can be explicit or implicit. Explicit objectives are those clearly defined by the developer, while implicit objectives can be deduced from the behaviour of the system. Explicit objectives can include the optimisation of a cost function, a probability or a cumulative reward. Implicit objectives may arise from training data or from the system's interaction with its environment.
- **Inference to generate results.** Inferencing capability is a key feature that distinguishes AI systems from other types of systems. AI systems use machine learning techniques and knowledge-based approaches to generate results from input data. Inferencing refers to the process of obtaining results such as predictions, content, recommendations or decisions from input data. This inferencing capability is fundamental to the functionality of AI systems.
- **Systems outside the scope of the definition of an AI system.** Some systems, such as basic data processing systems and systems based on classical heuristics, do not meet the definition of an AI system due to their limited ability to analyse patterns and adjust their results autonomously. These systems may include mathematical optimisation systems, basic data processing systems and systems based on classical heuristics that do not use advanced AI techniques.
- **Results that can influence physical or virtual environments.** AI systems generate results that can influence physical or virtual environments, such as predictions, content, recommendations and decisions. This ability to generate results is fundamental to the functionality of AI systems. The results can range from predictions and content to recommendations and decisions that impact both physical objects and virtual environments.
- **Interaction with the environment.** AI systems are not passive, but actively impact the environments in which they are deployed. They can influence both physical objects and virtual environments, including digital spaces and data flows. The ability to interact with the environment is a distinctive feature of AI systems, allowing them to influence their environment in a significant way.

In addition, the Guidelines on prohibited AI practices include the following aspects:

- **Overview of prohibited AI practices.** The marketing, commissioning or use of certain AI systems that violate fundamental rights and EU values is prohibited. These practices include harmful manipulation, exploitation of vulnerabilities, social scoring and crime risk assessment, among others.
- **Manipulation, deception and harmful exploitation.** Subliminal, manipulative or deceptive techniques that significantly distort people's behaviour are prohibited. AI systems that exploit vulnerabilities due to age, disability or

socioeconomic status, causing significant harm, are also prohibited. In addition, it is emphasised that psychological harm can lead to physical harm, such as insomnia and stress-related health problems.

- **Social scoring.** AI systems that evaluate or classify people based on their social behaviour or personal characteristics, leading to unfavourable treatment in unrelated contexts or disproportionate to the severity of the behaviour, are prohibited.
- **Crime risk assessment and prediction.** AI systems that assess or predict a person's risk of committing a crime based solely on personality profiles or characteristics are prohibited.
- **Non-targeted scraping of facial images.** AI systems that create or expand facial recognition databases by non-targeted scraping of facial images from the internet or closed-circuit television (CCTV) are prohibited.
- **Recognition of emotions.** AI systems that infer emotions in the workplace or educational institutions are prohibited, except for medical or security reasons.
- **Biometric categorisation.** AI systems that categorise people based on biometric data to infer sensitive characteristics such as race, political opinions, sexual orientation, etc. are prohibited.
- **Remote biometric identification in real time.** Systems for remote biometric identification in real time in public spaces for law enforcement purposes are prohibited, with specific exceptions.
- **Safeguards and conditions for exceptions.** The necessary safeguards and conditions for exceptions to the prohibitions are detailed, including the need for prior authorisation and notification to the authorities.

3. Next steps

- The Guidelines on AI prohibited practices constitute a first interpretation with practical examples of the prohibitions in Article 5 of the AI Act. The EC will continue to support operators and authorities in their implementation, compiling use cases with the collaboration of suppliers, AI deployers and other stakeholders. In addition, it will revise the Guidelines when necessary, taking into account practical experience and technological, social and regulatory developments.

27/02/2025

S EC - Omnibus amendments to CSRD, CSDDD, EU Taxonomy, CBAM, and Investment Programs



1. Context

In November 2024, in the Budapest Declaration on the New European Competitiveness Deal, European Union (EU) Heads of State and Government called for simplifying the regulatory framework on sustainability in order to drastically reduce administrative, regulatory and reporting burdens, in particular for small and medium-sized enterprises (SMEs). In doing so, they called on the EC to make concrete proposals to reduce reporting requirements by at least 25% in the first half of 2025. In its Communication on the Competitive Compass for the EU, the Commission confirmed that it would propose a first Omnibus package which would include far reaching simplification in the fields of sustainable reporting, sustainability due diligence and taxonomy.

In this context, the EC has published a **simplification Omnibus package**, containing amending proposal on the **Corporate Sustainability Reporting Directive (CSRD)**, the **Corporate Sustainability Due Diligence Directive (CSDDD)**, the **Taxonomy Disclosures** and the **Taxonomy Climate and Environment Delegated Acts**, the Regulation on the Carbon Border **Adjustment Mechanism (CBAM)** and the **InvestEU Regulation**.

2. Main points

The main modifications and implications for each amended rule are summarised below:

CSRD

- **Increase in the employee threshold.** It is proposed that only companies with more than 1,000 employees will be obliged to comply with sustainability reporting requirements. This will reduce the number of obligated entities by 80%, decreasing from approximately 50,000 to around 7,000 companies. Furthermore, the turnover threshold for non-EU companies will be raised from 150 million euros to 450 million euros to align with the CSDDD thresholds.
- **Contents of the report.** CSRD introduces a voluntary reporting standard for those not subject to mandatory requirements, based on the voluntary sustainability reporting standard for SMEs (VSME), standard developed by EFRAG. The value-chain cap is extended to protect all undertakings with up to 1,000 employees. Sector-specific reporting rules are eliminated, simplifying reporting requirements for all companies within the scope of the CSRD, and the requirement to move from limited warranty to reasonable warranty is eliminated.
- **Postponement of the first reporting date under the new directive.** This proposal postpones the first application of the reporting requirements for the second and third waves by two years, to correspond to the financial years starting on 1 January 2027 and 1 January 2028, respectively.

EU Taxonomy

- **Reduced reporting obligations.** The proposed changes will limit the EU Taxonomy reporting obligations to the largest companies, corresponding to the scope of the CSDDD. Smaller companies will still have the option to report voluntarily if they wish to access sustainable finance.
- **Option of reporting on partially aligned activities.** This new approach is designed to foster a gradual environmental transition of activities over time, in line with the aim to scale up transition finance and help companies on their path towards sustainability.
- **Simplification of Do no Significant harm (DNSH) criteria.** The modifications will simplify the most complex DNSH criteria related to pollution prevention and control, particularly concerning the use and presence of chemicals. These simplified criteria will apply horizontally to all economic sectors under the EU Taxonomy, representing a first step in revising and simplifying all such DNSH criteria.
- **Adjust the Green Asset Ratio (GAR) for banks.** Banks will be able to exclude from the denominator of the GAR exposures that relate to undertakings which are outside the future scope of the CSRD (i.e., companies with less than 1000 employees and €50m turnover). This adjustment is intended to provide a more accurate reflection of banks' green assets and to ensure that the GAR remains a meaningful and useful metric for assessing the sustainability of banks' portfolios. A threshold of 10% of assets is established for financial undertakings and 25% of turnover for their eligible activities for non-financial undertakings. Additionally, the reporting templates will be reduced and simplified.

CBAM

- **Exempt small importers,** mostly SMEs and individuals. By introducing a new CBAM cumulative annual threshold of 50 tonnes per importer, CBAM obligations will be eliminated for approximately 90% of importers.
- **Simplification of rules.** The modifications will simplify the rules for companies that remain within the CBAM scope, including the authorization of CBAM declarants and the rules related to CBAM obligations. This includes simplifying the calculation of embedded emissions and the reporting requirements, making it easier for companies to comply with the CBAM regulations.
- **Strengthen rules to avoid circumvention and abuse.** To ensure the long-term effectiveness, the proposed changes will strengthen the rules to prevent circumvention and abuse. This includes measures to ensure that the CBAM accurately reflects the carbon content of imported goods and that companies cannot exploit loopholes to avoid compliance.

CSDDD

- **Simplification of due diligence requirements on sustainability,** focusing systematic requirements on direct business partners. Companies will no longer need to conduct exhaustive due diligence on their entire supply chain on

an annual basis. Instead, they will only be required to conduct detailed assessments every five years, with additional assessments conducted on an ad hoc basis whenever necessary.

- **Reduction of burdens for small and medium-sized enterprises (SMEs) and mid-caps** by limiting the amount of information that large companies can request from them as part of the value chain monitoring process.
- **Increased harmonization and stricter national due diligence requirements** may no longer be allowed in key areas such as risk assessment, value chain due diligence, and penalties. Moves toward greater harmonization across EU Member States, limiting flexibility.
- **Removal of EU civil liability conditions to protect companies from excessive compensation claims.** The right of victims to full compensation for damages caused by non-compliance is preserved.
- **Postponement of the application of the new requirements by one year** for the largest companies, until 26 July 2028.

3. Next steps

- The legislative proposals will now be submitted to the European Parliament (EP) and the Council for their consideration and adoption. The changes on the CSRD, CSDDD, and CBAM will enter into force once the co-legislators have reached an agreement on the proposals and after publication in the EU Official Journal (OJEU). The EC invites the co-legislators to treat this Omnibus package with priority, in particular the proposal postponing certain disclosure requirements under the CSRD and the transposition deadline under CSDDD, as they aim to address key concerns identified by stakeholders.
- The EC will revise the delegated act establishing the existing sustainability reporting standards (ESRS), with the aim of substantially reducing the number of data points, clarifying provisions deemed unclear, improving consistency with other pieces of legislation and reducing the number of data points.
- The draft Delegated Act amending the current delegated acts under the Taxonomy Regulation will be adopted after public feedback and will apply at the end of the scrutiny period by the EP and the Council.
- The adoption of the detailed EC Guidelines on CSDDD, which will provide clear and specific instructions on how to implement the processes necessary to identify, prevent and mitigate negative impacts on human rights and the environment, will be brought forward by one year, to **July 2026**.

21/03/2025

S

EC - Report on the Streamlining Sustainable Finance for SMEs



1. Context

As the EU advances its agenda toward climate neutrality, small and medium-sized enterprises (SMEs) have emerged as a pivotal part of the sustainability transition. SMEs are estimated to account for over 50% of the EU's Gross Domestic Product (GDP) and more than 63% of enterprise greenhouse gas (GHG) emissions. However, SMEs face significant challenges in accessing external financing for sustainability, due to high minimum loan sizes, complex regulatory requirements, lack of harmonised definitions for sustainable loans at the EU level, and insufficient sustainability-related data reporting.

In this context, the EU Platform on Sustainable Finance of the EC has published the **report on the Streamlining Sustainable Finance for SMEs**, which aims to provide SMEs with a tailored, simplified, and voluntary framework to help them access sustainable (particularly transition) finance. The objective is to enable SMEs to demonstrate their climate-related sustainability efforts and improve their ability to obtain external financing, using simplified criteria and practical tools that are more accessible to SMEs.

2. Main points

The report introduces the following aspects:

- **SME sustainable finance standard (transition finance).** The Platform proposes a simplified sustainable finance standard for SMEs, to be used by banks and other financiers to classify loans and other types of financing as sustainable (green or transition). The standard is intended to support SMEs in demonstrating their sustainability credentials and simplify voluntary reporting. It is particularly focused on climate change mitigation and adaptation.
- **Activities.** The standard distinguishes between activities included in the Taxonomy Climate Delegated Act and those not included. For the former, the Platform recommends simplification measures to improve usability for SMEs, such as grouping similar activities, clarifying terminology, and simplifying life-cycle assessment requirements. For the latter, activities may still qualify if supported by well-recognised labels and certifications listed by the EC.
- **Enterprises.** The standard identifies eligible enterprises as those that have integrated climate-related practices into their business models or hold a recognised climate-related certificate. This approach acknowledges SMEs actively working toward sustainability, even if they are not fully aligned with the EU Taxonomy.
- **Investments.** The report outlines how projects and measures involving eligible activities can be considered sustainable. It includes both taxonomy-aligned and non-aligned activities, provided robust and simple criteria are met. This broader scope intends to expand access to transition finance for SMEs without imposing complex assessment burdens.
- **Climate change adaptation.** The Platform defines three ways in which SMEs can demonstrate alignment with adaptation objectives: i) performing a climate risk and vulnerability assessment; ii) implementing adapted activities to increase climate resilience; and iii) conducting enabling or adapted-enabling activities that support the adaptation of others.
- **Minimum environmental and social safeguards.** The standard requires that: i) SMEs comply with applicable laws; ii) do not operate in excluded sectors defined in the EU Benchmark Regulation for Paris-Aligned Benchmarks; and iii) report against indicators from the simplified voluntary reporting standard to be developed under the voluntary sustainability reporting standard for SMEs (VSME) framework proposed in the Omnibus package.
- **SME Sustainability Checker.** The Platform introduces a practical self-assessment tool to help SMEs evaluate their sustainability performance. The tool offers a simple, accessible method for SMEs to identify areas for improvement and better communicate with financiers and value chain partners.
- **Reporting and communication.** The Platform encourages voluntary and proportionate reporting from SMEs and financial institutions. A modular approach is proposed, where microenterprises report on a basic set of indicators, while larger SMEs adopt more detailed sustainability reporting practices. This supports transparency without creating excessive burdens.

13/02/2025



ECB - Clarification on the ICAAP and the ILAAP



1. Context

The ECB's supervisory framework is based on efficient capital and liquidity management, which guarantees the stability and resilience of the banking industry. The ECB consistently modifies its standards to conform to changing risks and legislative advancements, encouraging a uniform and risk-aware strategy among supervised organizations. A key component of this framework is the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), which demand that banks exhibit sound governance, risk management, and forward-looking evaluations of their capital and liquidity requirements. These procedures are necessary to preserve financial stability and comply with the more general prudential standards established by the European Banking Authority (EBA) and the ECB.

In this context, the ECB has published a **clarification on the ICAAP and ILAAP**, reinforcing its supervisory expectations regarding capital and liquidity adequacy assessments. The document provides specific guidance on the governance of submissions and the key elements that should be included in ICAAP and ILAAP packages. While certain sections primarily refer to capital risk for readability, similar principles apply to liquidity risk, emphasizing the need for coherence between both frameworks. The ECB places significant importance on ensuring consistency between ICAAP and ILAAP, both in methodology and documentation, stressing that both frameworks should be aligned in terms of risk appetite, stress testing, and governance arrangements. Rather than introducing new requirements, these clarifications highlight sound practices that banks can consider to enhance the robustness of their capital and liquidity management, in line with the ECB Guides and EBA guidelines. Although no new legal obligations are introduced, these clarifications implicitly raise the bar in certain areas, such as documentation rigor and integration with broader risk governance processes.

2. Main points

The key aspects of the document are summarized below:

- **Governance requirements.** In relation to governance requirements, ICAAPs/ILAAPs are expected to be continuous processes supported by robust internal governance arrangements, including structured approval procedures and periodic review throughout the year. These processes should be documented in the minutes and supporting information of the corresponding meetings. The internal documentation should accurately reflect all relevant processes, methodologies and provisions that make up the ICAAP and ILAAP, constituting the core of the packages sent to the Joint Supervisory Teams (JSTs). Although banks must ensure the quality of the documents submitted, no additional prior approval or review is required before they are sent. However, the ECB emphasizes active board oversight, requiring the management body not only to approve but also to challenge and ensure the credibility of ICAAP and ILAAP processes, validating methodologies and assumptions.
- **Evaluation processes.** The guide also develops the elements that should be taken into account in the processes of evaluating capital and liquidity adequacy, which includes a risk inventory, a forward-looking perspective, the management of capital and liquidity management buffers and capital management actions.
 - Banks must submit a complete risk inventory, assessing their risk profile from both normative and economic perspectives. They should also describe their capital, liquidity, and funding plans, including the management body's review, governance framework, and update frequency based on business model, risk profile, and external conditions. Plans should be promptly revised in response to unforeseen events, such as macro-financial shifts or interest rate changes. The ECB also stresses the importance of integrating adverse scenarios and stress tests into these processes. Banks should demonstrate how stress testing influences capital planning and liquidity management decisions.
 - With regard to the forward-looking perspective, the ECB requires banks to assess capital and liquidity adequacy over a three-year horizon, considering regulatory and economic scenarios, identifying key risks and ensuring sound methodologies for translating macroeconomic impacts into financial results.
 - Banks must document the calibration and use of their capital and liquidity buffers in ICAAP and ILAAP, ensuring alignment with risk limits and recovery plans. These buffers should be adjusted for different scenarios to support business model sustainability, considering stakeholder expectations, stress tests, supervisory requirements, and planning uncertainties. Moreover, ICAAP and ILAAP must be consistent with recovery and resolution plans, directly supporting preemptive recovery measures and ensuring that institutions can act before regulatory intervention is needed.
 - Finally, banks should outline key capital management actions needed to maintain capital adequacy, assessing their credibility and impact on capital ratios across scenarios. Additionally, ICAAP packages must demonstrate how ICAAP outcomes influence management decisions, including capital allocation, risk appetite, pricing, credit decisions, and remuneration, ensuring alignment with both normative and economic perspectives.

3. Next steps

- Banks must submit key documents annually by **15 March 2025**, with continuous updates for new or revised internal documents throughout the year.
- Final submission deadline for institutions granted flexibility to adjust their internal processes is the **31 March 2025**

03/02/2025



S

EIOPA - Recommendations on updates to the way natural catastrophe risks are accounted for in insurers' standard formula calibrations

1. Context

The Solvency II Review mandates EIOPA to reassess, and, in case of significant discrepancies, recalibrate natural catastrophe risk parameters at least every five years. Natural disasters and extreme weather events are increasing across the world due to climate change and so are the losses related to them. To ensure the continued protection of policyholders and the overall stability of the EU's insurance market amid more erratic and damaging weather patterns, it is important that insurers' capital requirements for natural catastrophe underwriting risk adequately reflect the impact of natcat events. EIOPA therefore performs regular recalibrations of these risk, taking the latest data and scientific evidence into account, the last update of standard formula risk weights was assessed in 2018.

In this context, EIOPA has published its **recommendations on updates to the way natural catastrophe risks are accounted for in insurers' standard formula calibrations**. Drawing on new scientific insights, recent climate data and advanced risk modelling, EIOPA aims to adjust the standard formula risk factors for perils like flood, hail, earthquake and windstorm for certain regions, while also expanding the number of countries considered.

2. Main points

The reassessment introduced new factors, including:

- **Flood.** An extensive update for flood hazard, reflecting the evident impact of climate change in recent years. Flood risk factors in three countries have been recalibrated to better align with the risks faced by insurance companies underwriting business in these regions. Additionally, seven other countries, including Ireland, Luxembourg, and Norway, have been proposed for inclusion in the standard formula for flood risk after their exposures were deemed material.
- **Windstorm.** Similarly, several regions, including Iceland and certain overseas territories of France, are expected to see an increase in their windstorm risk factors. The overseas French territories (Guadeloupe, Saint Martin, Martinique, Reunion) were last calibrated in 2010. For the countries last assessed in 2017/2018 many of the models available have also been updated since the last recalibration. For Iceland no model is available, the decision to reassess was in this case based on input from the Central Bank of Iceland, who indicated that windstorm risk in Iceland might be underestimated in the current standard formula, based on analysis performed by the Icelandic meteorological office.
- **Hail.** The risk factors for hail have also been revised upwards for countries such as Germany, Belgium, and Luxembourg. Belgium has had no significant events since 2017/2018, but model projections suggest that the factor might need to be increased. Germany experienced a severe storm, with models indicating a slight rise, and concerns that climate change has already increased, and may further increase, hail risk. Their analysis indicates that hail risk might currently be underestimated. Luxembourg faced a significant tornado event, and modelled factors suggest that the country factor should be increased. As a result, recalibration is proposed for all three countries.
- **Subsidence.** Since the last calibration, France and Belgium have seen a consistent increase in its annual average losses due to subsidence. Furthermore, subsidence risk, or ground sinkage risk, is set to rise for France, while Belgium is expected to receive a dedicated risk factor in standard formula calibrations for this peril.
- **Other risk factors.** In addition to the five risk factors already covered, windstorm, flood, hail, subsidence, and earthquake (which is not part of the new updates), EIOPA is also closely monitoring emerging perils for a potential inclusion in the standard formula. Given the shifting frequency and intensity of certain perils due to climate change, some risks may become more significant for the European Union's (EU) insurance sector than in the past. Consequently, EIOPA is assessing whether natural hazards such as **wildfires, coastal floods, and droughts** are sufficient material to be incorporated into standard formula calibrations.

3. Next steps

- EIOPA has submitted the proposals to the European Commission (EC) for a potential (re)calibration of the relevant standard formula parameters.

17/02/2025

EIOPA - Consultation on the opinion on AI governance and risk management in the insurance sector



1. Context

The European Union (EU) Regulation 2024/1689 on artificial intelligence (AI Act), published in July 2024, establishes a risk-based framework for the governance of AI in all economic sectors to safeguard fundamental rights, health and safety. It classifies AI systems into four categories - prohibited, high risk, limited risk and minimal risk - and imposes strict governance and risk management requirements on high-risk AI, while limited and minimal risk AI systems are mainly subject to transparency obligations, promotion of AI literacy and voluntary codes of conduct. In the insurance sector, the use of AI continues to be regulated by existing sectoral legislation, which ensures harmonization with prudential and conduct of business rules while integrating the general principles of the AI Act.

In this context, EIOPA has launched a **consultation on its opinion on AI governance and risk management in the insurance sector**, with the aim of ensuring that the use of these technologies is aligned with the principles of the AI Act and existing industry regulations. As the AI Act sets out strict requirements for high-risk AI systems and certain transparency obligations for those of limited and minimal risk, EIOPA seeks to clarify how these provisions should be applied in the insurance sector.

2. Main points

The opinion includes the following main aspects:

- **Risk-based approach and proportionality.** Insurers must implement governance and risk management systems appropriate to the nature and complexity of their operations, in line with Solvency II, the Insurance Distribution Directive (IDD) and the Digital Operational Resilience Act (DORA). In the use of AI, they must assess the risk of each case, considering the sensitivity of the data, the autonomy of the system and its impact. The measures applied must be proportional to the risk and may include human supervision or data management to compensate for the lack of explainability.
- **Risk management system.** The use of AI should maximize benefits and minimize risks through a robust governance framework that encompasses fairness, data governance, documentation, transparency, human oversight and cybersecurity. Insurers should document their approach in strategic policies, review it periodically and define clear responsibilities, ensuring adequate staff training.
- **Fairness and ethics.** Entities should ensure that AI is used ethically and fairly, avoiding bias and discrimination. The management approach should be comprehensive, documented and communicated within the organization.
- **Data governance.** The quality, sufficiency and adequacy of data in underwriting processes and technical provisions must be ensured. Insurers should implement policies aligned with data protection regulations and ensure that AI training data is representative, accurate and unbiased. If data is sourced from third parties, it must meet the same quality standards.
- **Documentation and record keeping.** Insurers should maintain organized and detailed records on their AI models, ensuring traceability and reproducibility. For high-risk cases, more detailed documentation and periodic reviews are required.
- **Transparency and explainability.** Product information should be clear and understandable to customers. In IA, priority should be given to explainable models or tools that help to interpret complex systems. If explainability is limited, additional controls should be applied and explanations should be adapted according to the addressee (authorities, auditors or customers).
- **Human oversight.** Insurers must have effective internal control systems in place to oversee AI, defining key roles in administration, compliance, auditing and data protection. They can also appoint an AI manager or data committee. Staff training and implementation of safeguards are essential to eliminate bias and protect customer rights.
- **Accuracy, robustness and cybersecurity.** AI must operate accurately and be resilient in the face of external attacks. Controls must be established commensurate with the scale and complexity of the system, using performance metrics and ensuring adequate technology infrastructure with contingency plans for operational continuity.
- **Monitoring by EIOPA.** EIOPA will evaluate the application of this Opinion two years after its publication, encouraging supervisory convergence and facilitating the implementation of AI regulation in insurance. It will also continue to monitor the market, develop specific analyses and provide additional guidance on its website.

3. Next steps

- The consultation will be open until **May 12, 2025**.

24/02/2025

CL EIOPA - Supervisory statement on the deduction of foreseeable dividends from own funds under the Solvency II Directive



1. Context

European reinsurers and groups must deduct foreseeable dividends from their shareholders' equity, as these do not meet the permanence and availability criteria and lack loss absorption capacity. They are considered foreseeable when they are declared or approved by the Administrative, Management or Supervisory Body (AMSB) or the person managing the company. Although the Implementing Regulation of the European Union (EU) 2023/894, which lays down technical rules on reporting to supervisory authorities under Solvency II, requires full annual deduction, different approaches have emerged, such as full annual deduction, quarterly cumulative deduction or deduction applied after the approval of the AMSB.

In this context, EIOPA has published a **supervisory statement on the deduction of foreseeable dividends from own funds under the Solvency II Directive**. The objective of this guidance is to promote greater supervisory convergence by addressing the various market approaches currently used by insurers to deduct foreseeable dividends from their own funds.

2. Main points

The document includes the following main aspects:

- **Dividend deduction approaches.** Three main approaches have been identified. First, the total annual deduction, where both the dividends for the previous year and the estimated dividends for the current year are subtracted, although this method may generate a double deduction. Secondly, the quarterly cumulative deduction, which adjusts the dividend deduction based on the profits obtained in each quarter, reducing the volatility of shareholders' equity and providing a more accurate view of the financial situation. Finally, the deduction after approval of the BSAA, which only subtracts dividends after formal approval, although EIOPA notes that this approach should be used only when it is difficult to estimate foreseeable dividends.
- **Supervisory actions.** EIOPA indicates that supervisory authorities should not prioritize actions against entities using the cumulative deduction approach on a quarterly basis. However, in stable environments where dividends are predictable, full annual deduction is considered feasible. Only in cases where estimation is objectively difficult, deduction is accepted upon approval of the AMSB.

10/03/2025

E EIOPA - Peer review on the supervision of stochastic valuation under Solvency II



1. Context

To enhance supervisory convergence and fulfill its mandate, EIOPA regularly conducts peer reviews in close collaboration with National Competent Authorities (NCAs). These reviews aim to strengthen the consistency of supervisory practices across Europe and enhance the ability of these NCAs to carry out effective and high quality supervision.

In this context, EIOPA has published a **peer review on the supervision of stochastic valuation under Solvency II**. This report aims to strengthen supervisory convergence in the application of valuation methodologies in the European insurance sector, ensuring a more harmonized and effective approach across Member States. Through these recommendations, EIOPA seeks to improve the quality and consistency of supervisory processes, encouraging the adoption of sound practices and the identification of possible areas for improvement to strengthen the stability and transparency of the insurance market.

2. Main points

The report includes the following main findings:

- **Regulatory framework.** The analysis of the regulatory framework confirms the compliance of all countries with European Union (EU) regulations and EIOPA guidelines, with no additional actions required. However, best practice has been identified in the implementation of these guidelines by the NCAs, either by integrating them directly into their national regulations or by establishing their direct application through legal provisions. Both strategies have been recognized for their transparency. In addition, EIOPA has agreed to review its guideline framework in 2025.
- **Identification of options and guarantees.** The analysis of options and guarantees in insurance products highlights their asymmetric impact on the market and the need for appropriate valuation. While deterministic valuation does not capture their time value, stochastic valuation better reflects market uncertainty, although its use varies between countries. For more consistent supervision, EIOPA recommends NCAs to improve the identification and assessment of their materiality by providing guidance to insurers. In this sense, EIOPA is developing the Prudent Deterministic Valuation (PDV), which it will publish periodically and which the NCAs may use for their materiality analysis.
- **Valuation of options and guarantees.** The valuation of options and guarantees in Solvency II requires stochastic methods to capture their time value, but their application varies across insurers and markets. Model calibration and validation, including the selection of scenarios and risk variables, are key aspects to ensure reliable results. Oversight of these practices has shown differences between NCAs, so EIOPA recommends strengthening oversight and guiding insurers in their application. In addition, best practices are highlighted, such as modeling tools and scenario analysis, which facilitate market assessment and supervision.
- **Best practices.** The peer review also identified best practices that could support NCAs in their supervision of stochastic valuation. These concern the implementation of the relevant regulatory framework, the supervision of the identification of options and guarantees, the valuation of options and guarantees and tools used by different NCAs to supervise the use of stochastic valuation.

3. Next steps

- The amendments to the Solvency II Directive came into force in January 2025. However, it will be applicable as of **January 30, 2027**.
- In the next update of the Supervisory Handbook, EIOPA expects to update the stochastic valuation section of the handbook to include the new findings and guidance arising from this report.
- Some general guidance on stochastic valuation can be found in the technical provisions chapter of EIOPA's Supervisory Review Process (SRP) Manual, the content of which on stochastic valuation will be updated and expanded in **2025** in accordance with the mandate of the Supervisory Steering Committee (SSC).

28/01/2025

R SRB - Update on operational guidance on OCIR



1. Context

The OCIR arose as part of the reforms introduced after the 2008 financial crisis, when the European Banking Union established the Bank Resolution Regulation and the Bank Recovery and Resolution Directive (BRRD). These frameworks sought to strengthen the financial system's capacity to manage crises and avoid massive bailouts with public funds. The SRB's operational guidance has undergone constant revisions since its introduction, including an update in 2021 that added details on financial resilience and staffing, aspects that are critical to ensure operational stability during a crisis.

In this context, the SRB has published an **update to its operational guidance on OCIR**. The objective of this publication is to provide financial institutions with more detailed and practical guidelines to ensure that they can maintain the operability of their critical functions during a resolution process. The current review follows the development of new frameworks, such as the Digital Operational Resilience Regulation (DORA), which establishes uniform requirements for the operational resilience of financial institutions in the European Union, and new provisions, such as the European Banking Authority (EBA) Guidelines on Enhancing Resolvability. The guidance also incorporates additional clarifications derived from the SRB's Expectations for Banks, updated references and citations, and removes redundant content. Given the limited scope of these revisions, which do not introduce significant changes for the industry, no public consultation was conducted.

2. Main points

The document contains the following key aspects:

- **Service identification and mapping.** Banks are required to identify and map all relevant services critical to maintaining operational continuity during resolution. This includes mapping services to legal entities, critical functions (CFs), core business lines (CBLs), and relevant staff or operational assets. The process must include creating a detailed service taxonomy to categorize services hierarchically, assessing the criticality of services based on their material impact and substitutability, and ensuring the information is centralized in a searchable service catalogue. This mapping enables an effective assessment of operational risks and informs mitigation strategies.
- **Assessment of operational continuity risks.** Banks must evaluate risks to operational continuity, such as service interruptions, loss of access to operational assets, or unavailability of relevant staff. This assessment should consider dependencies on third-party or intra-group services, as well as potential vulnerabilities like contract termination or divestment. The analysis should use the mapping of services and include risk drivers specific to each dependency. This comprehensive risk framework helps banks understand potential threats to operational continuity during resolution and aids in creating mitigation strategies.
- **Mitigating actions and preparedness measures.** To address identified risks, banks are expected to implement mitigating measures, including ensuring service contracts are resolution-resilient. These measures involve embedding non-termination clauses, ensuring transferability of services, and maintaining financial resilience for service providers. If contractual amendments are not possible, banks should consider alternative mitigating actions, such as identifying substitute providers or pre-funding essential services. Preparedness measures must also include governance arrangements to manage service continuity and post-resolution restructuring effectively.
- **Adequate Management Information Systems (MIS).** MIS play a vital role in maintaining operational continuity. Banks are required to establish comprehensive and searchable MIS tools, including a service catalogue, contract repository, and databases for operational assets and staff. These systems should be updated regularly to ensure timely access to information during resolution. The MIS enables the identification of risks, supports resolution planning, and facilitates separability and restructuring processes by providing centralized and accurate data.
- **Governance arrangements.** Effective governance is crucial for integrating resolution planning into banks' operational frameworks. Banks must establish governance structures for intra-group service providers, ensuring independence and minimizing reliance on shared staff. Additionally, governance processes should include contingency arrangements for maintaining service continuity, structured contractual agreements, and rapid access to information during resolution. Senior management oversight and clear communication are critical to achieving operational readiness and ensuring compliance with resolution objectives.

3. Next steps

- Banks are expected to start implementing the guidance immediately.
- However, certain specific provisions (such as those related to paragraphs 18 and 25) will only apply **from the 2026 resolution planning cycle onwards**, depending on measures currently under development, such as the EBA's revised resolution planning reporting framework and the SRB's resolvability self-assessment.

18/03/2025

R SRB - Public consultation on resolvability testing for banks



1. Context

The evolution of the European regulatory framework for bank resolution has prompted the development of more operational tools to strengthen banks' preparedness for crisis situations. In line with the objectives set out in the Single Resolution Mechanism (SRM) Vision 2028 strategy and based on the expectations defined by the SRB, progress has been made towards greater integration of testing programs to assess the effective ability of institutions to execute their resolution strategies. This approach has been supported by the consolidation of guidelines at the European level - such as those issued by the European Banking Authority (EBA) - and has been structured through coordinated work between internal resolution teams, national competent authorities and the banks themselves, in a process that reinforces consistency, comparability and a level playing field across the Union's banking system.

In this context, the SRB has published a **public consultation on resolvability testing for banks**, with the objective of providing a harmonized framework for the planning, execution and monitoring of these exercises. The initiative seeks to reinforce the preparedness of entities, incorporating lessons learned from previous crises and best practices, and to ensure that operational resolution capabilities can be effectively activated when needed.

2. Main points

The document contains the following key aspects:

- **General guidance.** The first part of the guide establishes a general framework for planning, executing and following up tests that evaluate the operational capacity of banks to apply their resolution strategies. It defines objectives such as verifying the effectiveness of the capacities developed, identifying areas for improvement and reinforcing crisis preparedness. Six key testing areas are considered, as well as a three-year program coordinated with the internal resolution teams (IRTs), using methods such as desktop exercises, walkthroughs and drills. Aspects of governance, testing environments, the use of consultants and the required deliverables are also detailed, promoting a harmonized and operational approach within the framework of the SRM.
- **Specific testing areas.** The second part details the specific requirements and deliverables for each of the six key areas of testing, namely:
 - Bail-in. The entities' operational capabilities to apply this key resolution tool are tested, including the generation of data in accordance with the minimum bail-in data format (MBDT), the internal and external execution of the bail-in, and the activation of the internal loss transfer and recapitalization mechanism (ILTRM). A realistic testing environment and deliverables such as the MBDT report, proforma financial statements, documentation for the central securities depositories (CSD) and a report on the fiscal impact are required.
 - Business reorganisation plan. The entities' ability to develop a simplified business reorganisation plan (BRP) demonstrating the viability of the *core bank* following resolution is evaluated. The tests cover the governance of the process, the operational steps and the preparation of financial projections. The BRP should detail the perimeter of the core bank, the critical functions preserved and an implementation schedule.
 - Access to financial market infrastructures (FMIs). The capacity of entities to identify and manage their dependencies on FMI service providers is analyzed, as well as to guarantee continuity of access in resolution scenarios. The tests include the mapping of critical relationships, contingency plans and the evaluation of operational, financial and communication requirements. The deliverables include an updated list of FMIs and contacts, a record of outstanding obligations and a table with the maximum liquidity needs to maintain access to each critical or essential FMI.
 - Liquidity (LIQ). The entities' ability to estimate their liquidity and financing needs during resolution, report their liquidity position and mobilize collateral effectively is put to the test. The tests include the analysis of key liquidity factors, the governance of the process and the reporting capacity with the use of the joint liquidity template (JLT). A methodological note on collateral valuation and mobilization is also required.
 - Operational Continuity (OCIR). The entities' ability to guarantee OCIR, that is, the continuity of services, assets and key personnel during resolution, is evaluated. The tests include the functioning of management information systems (MIS), the response to operational incidents and internal governance. Extracts from the MIS used and a reconciliation table with the original sources of information must be submitted.
 - Solvent Wind-down (SWD). The entities' ability to update and execute its SWD plan is analyzed. The tests assess both the timely generation of quantitative information and the operational capacity of the plan, including governance, human resources and communication. The main deliverable is the updated SWD plan together with the corresponding quantitative data.

3. Next steps

- The consultation will be open until **May 5, 2025**.
- Banks are expected to have test environments in place by **December 2026**.

Q1 Relevant publications

Spain

17/03/2025

D BOE - Amendment of CNMV Circulars on Funds and Depositaries



1. Context

In recent years, securities market regulation has evolved to improve transparency, supervision and investor protection. The European Securities and Markets Authority (ESMA) has promoted guidelines that harmonise key aspects such as the management of fees in investment funds, financial reporting and the supervision of depositaries. In Spain, several circulars regulate these areas: i) Circular 6/2008 establishes criteria for the application of performance fees in investment funds; ii) Circular 11/2008 defines the information models to be presented by collective investment entities; and iii) Circular 4/2016 regulates the functions of depositaries, setting out their responsibilities in the supervision and custody of assets.

In this context, the National Securities Market Commission (CNMV) has published **Circular 1/2025**, which modifies these three circulars on the management fee on investment fund performance and on the information provided by private equity firms and depositaries. The aim is to reinforce transparency in the application of management fees, improve the reporting of financial information by European Long-Term Investment Funds (ELTIFs) and establish new requirements for the supervision of depositaries.

2. Main aspects

Circular 1/2025 introduces the following amendments:

- **Amendment to Circular 6/2008.** This amendment introduces new requirements on the application of performance fees in investment funds. The update responds to the need to align with ESMA Guidelines, establishing stricter criteria on how these fees are calculated to avoid incentives misaligned with the interests of investors. It also reinforces the obligation to provide clear and transparent information to fund participants, ensuring that fees are applied in a fair and justified manner.
- **Amendment to Circular 11/2008.** Relevant changes for FILPE are incorporated. From now on, these entities will be obliged to submit public and confidential information statement templates to the CNMV, aligning them with the requirements of Law 22/2014. In addition, more detailed breakdowns are introduced in the confidential statements to improve supervision by the regulator. The CNMV also promotes the use of electronic means in the processing of documents, facilitating a more efficient management of information.
- **Modification Circular 4/2016.** This amendment affects the depositaries of entities regulated by Law 22/2014. As of the entry into force of this regulation, they must submit their annual report on the fulfilment of the surveillance and supervision function in a standardised electronic format. This measure seeks to reinforce the control mechanisms over depositaries, ensuring that they adequately fulfil their responsibilities in the protection of investors and improving the supervisory capacity of the CNMV.

3. Next steps

- This Circular will come into force 20 days after its publication in the BOE, with the exception of the reserved statements referred to in the first rule. According to this, the first reserved statements due will be those referring to **31 December 2025**.

17/03/2025



MINECO - Transposition of the Solvency II and IRR Directive



1. Context

The European insurance sector is immersed in a process of regulatory modernisation with the aim of strengthening its financial stability and crisis response capacity. Within this framework, the European Parliament and the Council have approved two key directives, the Solvency II Directive and the IRRD Directive. Both regulations reflect the need to adapt the regulation to the new challenges of the sector, including proportionality in supervision, the integration of sustainability factors and the preparation for eventual situations of non-viability of individual institutions.

In this context, the MINECO has launched preliminary public **consultations for the transposition of the two directives into Spanish law**. The purpose of these consultations is to gather input from interested parties in order to guarantee effective implementation of the new regulatory requirements, while ensuring the protection of policyholders, market stability and minimising the impact of possible crises on public funds.

2. Main aspects

The changes included in the **Solvency II Directive** are as follows:

- **Proportionality.** The thresholds for the application of Solvency II are extended, so that smaller institutions will be exempt from certain regulatory requirements. In addition, the calculation of the solvency capital requirement is facilitated in those institutions with a reduced risk profile, allowing a more efficient use of resources without compromising market stability.
- **Macro-prudential approach.** A macro-prudential approach is introduced into insurance regulation to identify and mitigate systemic risks. This seeks to improve the capacity to respond to situations of financial stress and reinforce the stability of the sector at a global level.
- **Sustainability.** The requirements for environmental, social and governance (ESG) information and risk management are strengthened, with the aim of promoting the integration of sustainability criteria into insurers' investment strategies and risk management.
- **Long-term business and investments.** The methodology for extrapolating the risk-free interest rate curve is adjusted to better align it with market conditions. Likewise, the treatment of long-term investments is made more flexible, incentivising those that favour the stability and sustainability of the insurance system.
- **Supervision of insurance groups.** The supervisory framework for insurance groups is modified, incorporating new tools that allow for a more precise assessment of the risks to which the institutions are exposed, especially in cross-border contexts and with complex corporate structures.
- **Cross-border activity.** Among other measures, the reform introduces the category of significant cross-border activities, which implies enhanced cooperation on supervision and information exchange between the supervisory authorities of the home and host states.
- **Regulatory alternatives.** There is no non-regulatory alternative for the transposition of Directive (EU) 2025/2, which will be done by amending existing regulations, such as Law 20/2015 and Royal Decree 1060/2015. It is requested that aspects such as the gradual introduction of the new capital calculation regime for interest rate risk, the extension of proportionality measures, and guidance on the developments foreseen in the Directive be assessed.

The changes included in the **IRRD** are as follows:

- **Objectives of the Directive.** The regulation seeks to protect the collective interests of policyholders, beneficiaries and third parties, maintain financial stability, ensure the continuity of critical functions and protect public funds, reducing dependence on extraordinary financial aid.
- **Regulatory alternatives.** There are no non-regulatory alternatives for the transposition of the Directive, which must be implemented by means of a new law. Various regulatory options are being considered, such as the creation of new resolution authorities or the use of existing administrative structures, as well as the definition of adequate financing mechanisms for the sector.
- **Resolution mechanisms.** The creation of specific instruments is being considered, such as the segregation of assets and liabilities, the formation of bridge entities and internal recapitalisation, adapted to the characteristics of the insurance sector and with the aim of guaranteeing stability in crisis situations.
- **Treatment of mutuals and cooperatives.** A differentiated approach is proposed for mutuals and cooperatives, considering their particular structure. In addition, the possibility of excluding certain liabilities from the amortisation or conversion process in resolution situations is being considered.

3. Next steps

- The period for submitting comments on the consultations on both Directives ends on **27 March 2025**.

18/03/2025

S MITECO - The Royal Decree that creates the registry of carbon footprints, offsets and carbon dioxide absorption projects



1. Context

In 2014, MITECO voluntarily launched the Carbon Footprint, Offsetting and Carbon Dioxide Absorption Projects Register, with the aim of making it easier for organizations to calculate their footprint, promote initiatives to reduce emissions and encourage offsetting through absorption projects in Spain. Over the years, the Registry has proven its usefulness in helping Spain meet its climate commitments, with 14,250 carbon footprints registered, 23,348 hectares of reforested land and carbon footprint offsets recognized corresponding to 154,406 metric tons of carbon dioxide (CO₂). This registry is part of the objectives established in Law 7/2021 on Climate Change and Energy Transition, which makes the calculation and planning of emission reductions by companies and public administrations mandatory, reinforcing the traceability, transparency and comparability of efforts in the fight against climate change.

In this context, the MITECO has published **the Royal Decree that creates the registry of carbon footprints, offsets and carbon dioxide absorption projects**. The objective is to establish a more robust and mandatory regulation that broadens the scope of the registry and introduces new obligations for the calculation, reduction and publication of emissions for companies and public bodies, thus reinforcing the regulatory framework provided for in Law 7/2021 on Climate Change and Energy Transition.

2. Main aspects

The Royal Decree includes:

- **Consolidation and expansion of the Carbon Footprint Register.** Although the registry has existed since 2014 as a voluntary instrument, the Royal Decree formalizes it and gives it legal status, expanding its scope and reinforcing its technical and administrative requirements. It formalizes the Registry of carbon footprint, compensation and carbon dioxide absorption projects. It extends its scope to include new typologies, such as the carbon footprints of events, and improves administrative procedures, incorporating additional participation requirements and reinforcing coordination with equivalent registers in the autonomous communities.
- **Obligations for companies.** The Royal Decree establishes the obligation for certain companies to calculate their carbon footprint following the technical guidelines of the MITECO, to draw up a plan to reduce greenhouse gas emissions and to publish this information through the Ministry's official Register. This obligation affects companies that are already subject to Law 11/2018 on non-financial information and diversity. Specifically, it will apply to all companies with more than 250 employees that either are considered public-interest entities under auditing legislation ((except for entities classified as small and medium-sized enterprises (SMEs) according to Directive 2013/34/EU), or, for two consecutive financial years, meet at least one of the following criteria: i) that the total of the asset items is greater than 20 million euros; or ii) that the net amount of the annual turnover exceeds 40 million euros. Ministerial departments, autonomous organizations and other state administrative public sector entities must also comply with this obligation.
- **Promotion of offsetting projects.** The Registry continues to allow organizations to offset their emissions through officially recognized absorption projects, mainly of a forestry nature. These projects must be located in national territory and report environmental and social benefits, such as the generation of carbon sinks, the improvement of biodiversity or rural development.
- **Official methodology and technical guidelines.** MITECO will provide technical guidelines for calculating the carbon footprint, based on internationally recognized methodologies, in particular the Greenhouse Gas (GHG) Protocol and the International Organization for Standardization (ISO) 14064 standard. This will ensure a homogeneous application and facilitate comparison between entities. Organizations will have to adapt their internal reporting systems and, in many cases, may require external technical support to adequately comply with the new standards.

3. Next steps

- The entry into force of the Royal Decree is **pending** on its publication in the Official State Gazette (BOE), which will mark the beginning of its effective application.

Q1 Relevant publications

UK

21/01/2025



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

CL PRA - Delay in the implementation of Basel 3.1 in the UK

1. Context

Basel 3.1 represents the final phase of international banking reforms initiated in response to the 2008 global financial crisis. These reforms aim to enhance banks' risk measurement and standardize approaches across firms, ensuring more consistent and comparable capital ratios. On the 12th September 2024, the PRA released policy statement (PS) 9/24, detailing the near-final rules for incorporating Basel 3.1 into the PRA rulebook. This publication postponed the implementation date by six months to the 1st January 2026, reflecting feedback from consultations and the PRA's ongoing assessment of implementation timelines in other jurisdictions.

In this context, the PRA, in consultation with HM Treasury, has decided to **delay the implementation of Basel 3.1 in the UK by one year until the 1st January 2027**. This allows more time for greater clarity to emerge regarding plans for its implementation in the United States.

2. Main points

The Basel 3 implementation notice contains the following aspects:

- **Reasons for delay.** The decision to delay the implementation of Basel 3.1 is based on the current uncertainty about the implementation schedule in the United States. The PRA considers that it is crucial to align its timelines with those of other major jurisdictions to avoid competitive disadvantages. In addition, the need to maintain the competitiveness of the UK financial sector and foster economic growth has been taken into account. This approach will allow UK financial institutions to prepare adequately and adapt to the new requirements without compromising their position in the global market. In line with the approach taken for the six-month delay outlined in PS9/24, the transitional periods in the rules will be reduced to ensure the date of full implementation remains the 1st January 2030, as set out in the original proposals.
- **Impact on financial institutions.** The PRA has indicated that it will pause the firm-level data collection exercise, which was scheduled to inform an off-cycle review of firm-specific capital requirements under Pillar 2. This pause will allow financial institutions to focus on their current operations and on preparing for the future implementation of Basel 3.1. In addition, the PRA will continue to monitor international developments and adjust its plans as necessary to ensure a smooth and effective transition to the new standards.
- **Expected benefits.** Despite the delay, the implementation of Basel 3.1 remains a priority for the PRA. The reforms are designed to enhance the financial stability and resilience of the banking system, ensuring that banks have sufficient capital to cope with potential future crises. Standardisation of risk measurement approaches will also facilitate greater comparability and transparency among financial institutions, which will benefit both regulators and investors. Ultimately, these reforms will contribute to a safer and more robust financial system.

28/01/2025

C FCA - Assessing and reducing the risk of MLTM



1. Context

Capital markets facilitate the exchange of stocks, bonds, currencies, and other financial assets, serving as a critical mechanism for fostering economic growth and innovation by linking those seeking capital with investors. Money laundering through markets (MLTM) involves using these markets to launder illicitly obtained funds, making them appear legitimate. The UK's National Risk Assessment 2020 emphasizes that capital markets remain a channel for criminals to obscure money trails through complex financial transactions. In 2019, a thematic review (TR)19/4 was conducted, followed by continued supervision across relevant sectors. Subsequent extensive work and consultations with stakeholders highlighted the importance of assessing progress and updating the analysis.

In this context, the FCA has published **report on assessing and reducing the risk of MLTM**. The report updates the MLTM risk assessment from TR19/4 and reviews wholesale brokers and other market participants, focusing on business-wide risk assessments (BWRAs), customer risk assessments (CRAs), transaction monitoring, governance, training, and reporting mechanisms. Good practice and progress were observed in several financial crime processes and controls across both larger and smaller firms. However, further focus and improvement are necessary across the board to address the issues highlighted in TR19/4 and strengthen risk mitigation efforts..

2. Main points

The main conclusions of this report include specific actions for the different stakeholders:

- **BWRAs.** The report states that some firms had either not fully considered or underestimated their exposure to financial crime-related risks and had insufficiently documented these risks as part of a tailored BWRA. This resulted in a lack of understanding across the firm regarding how they could be targeted by criminals.
- **CRA.** CRA processes generally incorporated a range of appropriate risk factors, with the use of weighted factors and well-developed country risk assessments becoming more common. However, many firms failed to adequately document their CRA methodologies or provide justification for updated or overridden customer risk ratings. Additionally, not all firms distinguished between domestic and foreign Politically Exposed Persons (PEPs) or considered this distinction in their CRA processes.
- **Know Your Customer (KYC) and Customer Due Diligence (CDD).** KYC and CDD processes were found to be inconsistent across firms. Onboarding and KYC processes have generally developed to better consider proportionality and customer risk, with firms increasingly using triggers for reviews or updates. However, some relied too heavily on other parties in the transaction chain for due diligence, and many failed to document or consider the nature, purpose, and expected activity on customer accounts.
- **Governance and oversight.** The FCA noted deficiencies in senior management engagement and accountability. Some firms lacked clear reporting lines or failed to prioritise financial crime risks in decision-making. The report highlights the need for tailored financial crime training for specific roles, improved governance and oversight to strengthen processes and controls, and sufficient Management Information (MI) reporting on client onboarding, risk ratings, and surveillance hits to keep management informed.
- **Transaction monitoring.** A significant challenge noted in the report is the continued difficulty in detecting suspicious activities due to the high volume of trades and reliance on outdated monitoring systems. The report urges firms to integrate transaction monitoring with broader risk management processes and highlights the importance of leveraging technology and cross-team collaboration.
- **Investigations and suspicious activity reporting (SAR).** Many firms lacked familiarity with the UK Financial Intelligence Unit (UKFIU) MLTM SARs glossary code, impacting reporting accuracy, criminal investigations, and MLTM risk understanding. While SARs using the code have increased, issues persist with incorrect usage and inconsistent quality. Additionally, information sharing between firms remained limited, with some yet to utilize the expanded powers under the Economic Crime and Corporate Transparency Act 2023 (ECCTA) to enhance MLTM detection and prevention.
- **Training, resourcing and policies and procedures.** Financial crime staff training has become more commonplace at firms. But several firms had yet to tailor training content to their business model, related risks, common red flags and for the different roles that exist in the firm. Resourcing in financial crime functions varies greatly across firms, as does the quality of policies and procedures.
- The FCA's updated report emphasises the critical need for firms to adopt a proactive and integrated approach to combating MLTM. By strengthening risk assessments, enhancing governance, improving transaction monitoring, and fostering collaboration, firms can not only mitigate financial crime risks but also safeguard the integrity of the capital markets.

3. Next Steps

- Firms must continue to review their systems, controls, MLTM awareness and training.
- Public bodies and firms need to work together to evolve and respond effectively to the threat of MLTM.
- The FCA will ensure that firms are considering MLTM risks and the points raised in the report to drive improvements and reduce risk across the markets.

07/02/2025

T UK Gov - Code of practice for the cyber security of AI and implementation guide



1. Context

In May 2024, the UK government, through the Department for Science, Innovation and Technology (DSIT), launched a public consultation (call for views) to gather insights on cybersecurity risks in artificial intelligence (AI) and potential measures to address them. During this process, which lasted until August 2024, contributions were received from various stakeholders, with broad support for the need to establish specific principles and guidelines in this area. As a result, key vulnerability areas were identified, laying the groundwork for the development of concrete measures to strengthen AI cybersecurity.

In this context, the DSIT of the UK Government has published the **AI cyber security code of practice**, along with its respective **implementation guide**, aiming to establish principles and recommendations to mitigate the specific security risks posed by artificial intelligence. This publication seeks to provide developers, organizations, and relevant stakeholders with a framework to identify and address vulnerabilities such as data poisoning, model manipulation, and supply chain security, promoting a safer and more responsible approach to the development and deployment of AI systems.

2. Main points

The code covers the following main aspects:

- **Secure design.** Organizations must raise awareness of AI security risks through specific and regularly updated training. Additionally, when designing AI systems, they must integrate security measures alongside functionality, ensuring resilience to adversarial attacks and implementing security audits. Threats should be managed through risk models that address AI-specific attacks, communicate vulnerabilities, and control unnecessary functionalities. Lastly, human oversight in AI systems must be ensured, enabling clear evaluation of outputs and implementing technical controls to mitigate risks.
- **Secure development.** Organizations must identify, track, and protect their AI assets through detailed inventories, version control, and recovery plans for potential attacks. They must also secure infrastructure with access controls, dedicated development environments, and vulnerability disclosure policies. In the supply chain, they should follow secure processes, justify undocumented components, and provide updates to users. Additionally, documenting data, models, and prompts ensures traceability and mitigates risks like data poisoning. Finally, security testing and evaluation should be conducted prior to deployment, including sharing findings with operators to enhance protection.
- **Secure deployment.** Organizations must ensure clear and accessible communication with end-users regarding how their data is used, stored, and accessed in AI systems, including whether it is used for retraining or review. They must also provide guidance on managing and integrating these systems, highlighting their limitations and potential failure modes. Additionally, proactive security updates should be communicated, and documented processes should be in place to support users in cybersecurity incidents, ensuring mitigation through contractual agreements.
- **Secure maintenance.** Organizations must maintain AI system security through regular updates, patches, and mitigation plans when updates are not possible. Major updates should be treated as new versions and undergo security testing before deployment. Additionally, continuous monitoring of system behavior is essential, logging user and system actions to detect anomalies, security threats, or unexpected performance changes, such as data drift or poisoning attacks, ensuring long-term system protection and stability.
- **Secure end of life.** Organizations must ensure the secure disposal of data and models at the end of their lifecycle. If transferred to another entity, data custodians must be involved to securely eliminate assets and prevent security risks in future deployments. When decommissioning a model or system, relevant data and configurations must also be securely deleted to protect information integrity and security.

The implementation guide, on the other hand, contains the following key aspects:

- **Relationship with other standards.** This guide aligns with key references in AI security, such as the European Telecommunications Standards Institute (ETSI)'s ETSI technical report (TR) 104 222 on artificial intelligence risk mitigation strategies, the ISO/IEC 22989 standard that establishes concepts and terminology in artificial intelligence, the EU AI Act, the UK National Cyber Security Centre (NCSC) machine learning security principles document, and the MITRE Adverse Threat Landscape for AI Systems (MITRE ATLAS).
- **Application of this guide.** This document helps implementers of the Code of Best Practice understand how to comply with each principle by providing examples applicable to different AI scenarios. In addition, the security principles have been mapped to different phases of the AI lifecycle, from development to implementation and monitoring.
- **Main threats and vulnerabilities.** The main threats to the security of artificial intelligence systems include adversarial attacks, such as data manipulation to trick models during training or execution, privacy attacks, such as the extraction of confidential information from model-generated responses, injection of hidden commands within input data in order to alter system behavior, and the leakage of personal or confidential company information. These threats highlight the need to implement robust mitigation measures to reduce risks.
- **Implementation principles.** Organizations should include AI security training in their programs, ensuring that the content is updated and adapted to the different roles within the company. Before developing an IA system, its actual need should be assessed, considering security risks and applicable regulations. It is recommended to document and audit all changes in models, data and prompts used in AI systems, ensuring traceability and regulatory compliance. In case of using external models or components, a security assessment and risk management should be performed to prevent vulnerabilities in the supply chain. Personal data protection should be a priority, ensuring that the use of the system is appropriate for the sensitivity of the information used and that regulations such as the General Data Protection Regulation (GDPR) and local regulations are complied with.

Q1 Relevant publications

United States

11/02/2025

CL

FRB - Hypothetical scenarios for annual stress test



1. Context

In a context of increasing attention to the soundness and stability of the financial system in the United States (US), the FRB has been reviewing the scope and application of its regulatory frameworks to ensure that they remain effective in the face of current challenges. This process has included the review of prudential standards, the analysis of supervisory data and the reception of comments through public consultations and dialogues with banking sector actors. Through these interactions, areas have been identified where requirements can be optimized without compromising the resilience of the system, in line with the objective of maintaining a balance between financial soundness and operational efficiency. These developments reflect evolving supervision, adjusted to market dynamics and the management of emerging risks.

In this context, the US FRB has published the **scenarios for its annual stress test**, an exercise designed to assess the resilience of large banks to adverse economic conditions. The aim of this publication is to ensure that these institutions can continue to lend to households and businesses even in a severe recession scenario, as well as to explore additional risks to the banking system through a complementary analysis that will not affect banks' capital requirements.

2. Main points

- **Baseline and severely adverse scenarios.** The baseline scenario projects moderate growth in the US, with stable unemployment at around 4.2% and inflation close to 2.2%, along with relatively stable interest rates and asset prices. In contrast, the severely adverse scenario envisages a global recession with unemployment reaching 10% in 2026, a fall in GDP of 7.8% and a sharp contraction in the financial markets, including a 50% reduction in share prices and significant declines in the real estate sector. Internationally, a more severe recession is expected in Japan and Europe, with less impact in emerging Asia. Compared to 2024, the impact on unemployment and markets is slightly lower, reflecting already deteriorating conditions in the commercial real estate sector.
- **Global market shock component for the supervisory severely adverse scenario.** This component introduces hypothetical shocks to assess the resilience of banks with trading operations. The impacts include declines in stock prices, increased volatility, appreciation of the dollar against most currencies, and reductions in Treasury bond rates, especially in the short term. A fall in commodity prices due to the recession and an increase in credit spreads due to higher defaults are also expected. In contrast to the 2024 scenario, lower inflationary pressure is projected, affecting interest rates, the value of the dollar and commodity prices. In addition, this edition does not include shocks specific to private equity, which will be evaluated within the adverse macroeconomic scenario.
- **Counterparty default component of the supervisory severely adverse scenario.** This component assesses the impact of the unexpected failure of each bank's largest counterparty with significant trading or custody operations. Certain entities such as advanced economy governments, multilateral banks and supranational bodies are excluded to ensure regulatory consistency. Projected losses are calculated by applying the global shock to securities financing and derivatives transactions, including the impact on collateral. The objective is to measure the capacity of banks to withstand an extreme risk event that could affect their capital and stability, in the same time frame as the shock in global markets.
- **Differences from the 2024 scenario.** Compared to 2024, the impact of the severely adverse scenario on the unemployment rate and markets is lower, reflecting already deteriorated conditions in the commercial real estate sector. Additionally, the projected decline in commercial real estate prices is 10 percentage points lower than in 2024, given that they have already experienced previous declines. A reduction in inflationary pressure is also observed, which affects interest rates and commodity prices.

3. Next steps

- The stress tests will take place in the early months of **2025**, and the results will be published in **June 2025**.

19/02/2025

US Senate - The Prevent Regulatory Overreach from Turning Essential Companies into Targets Act of 2025 (PROTECT USA)



S

1. Context

In May 2024, the European Union (EU) adopted the Corporate Sustainability Due Diligence Directive (CSDDD), imposing binding environmental and human rights obligations on companies, including large U.S. businesses operating in the EU. The directive has raised concerns in the U.S. over its extraterritorial reach and potential impact on critical industries such as energy, mining, and manufacturing. A growing number of US stakeholders, both in the private sector and across certain political circles, have expressed opposition to the directive, citing legal uncertainty, compliance burdens, and the risk of regulatory conflict with US law.

In this context, the US Senate has published **the bill to Prevent Regulatory Overreach from Turning Essential Companies into Targets Act of 2025 (PROTECT USA)**. The objective is to prevent US entities deemed integral to national interests from being compelled to comply with foreign sustainability due diligence regulations, in particular the EU's CSDDD. The bill introduces a legal framework that limits the enforceability of such foreign regulations within US jurisdiction and seeks to protect companies from associated legal and economic consequences.

2. Main points

The bill introduces the following key measures:

- **Scope.** The bill applies to companies considered integral to US national interests, including federal contractors, companies in extractive and manufacturing sectors, arms or critical minerals producers, or those designated by the President.
- **A company is considered to be covered if it meets two possible conditions.** The first is if it does business with the US federal government. The second is if it is organized under US law (or is a foreign subsidiary of a US company) and meets any of the following criteria: i) obtains at least 25% of its revenue from raw material extraction or production; ii) has a manufacturing-sector classification; iii) derives at least 25% of revenue from transforming materials into new products; iv) is engaged in defense production or critical mining activity.
- **Targeted foreign regulations.** The bill targets foreign laws that require companies to assess, mitigate, and report environmental or social risks across their operations or supply chains. Although the EU's CSDDD is a primary focus, the bill's scope includes any foreign regulation with similar requirements, unless the rules are substantively aligned with US laws approved by Congress.
- **Prohibition on Compliance with Foreign Sustainability Due Diligence Regulations.** The bill prohibits covered US entities from complying with foreign due diligence mandates unless required by US law or necessary in the ordinary course of business. It also introduces a hardship relief process which allows companies that believe they would face significant hardship from the compliance ban to petition the President for an exemption. The President must respond within 30 days and explain the decision. Factors considered include supply chain impacts, economic consequences, and business continuity risks.
- **Legal protections and enforcement tools.** The bill establishes safeguards for entities that fail to comply with foreign environmental, social and governance (ESG) regulations. It prohibits retaliation for such inaction and provides that judgments issued by foreign courts in connection with these regulations will not be recognized or enforceable in US courts, unless expressly authorized by Congress. In addition, it grants the President broad authority to intervene in the public interest to protect US businesses, taking into account impacts on consumers, economic security, energy markets, and foreign relations. Affected companies can file a civil action to seek relief, including compensatory and punitive damages, legal costs, and other remedies. Violators of the Act may face civil penalties of up to \$1 million and may be disqualified from participating in federal contracts for up to three years.

Q1 Relevant publications

Chile

08/01/2025

CL CMF - Public Consultation on Chapter 21-10 and Adjustments to the RAN and Compendium of Accounting Standard



1. Context

In 2022, the FMC reported on the completion of the Financial Sector Assessment Program (FSAP) conducted by the International Monetary Fund (IMF) and the World Bank. This report included analyses on competition, digital financial inclusion, green finance, household indebtedness and consumer protection. In addition, it identified a lack of explicit guidance on eligible collateral as credit risk mitigants and its valuation for provisioning purposes. In particular, it noted that current regulations do not require frequent valuations of collateral and recommended the development of standards for the collateral evaluation process, considering their eligibility, value and the bank's risk profile.

In this context, the FTC has published the **public consultation on the new Chapter 21-10 on collateral as credit risk mitigants and adjustments to Chapters 1-13 of the Restatement of Rules (RAN) for Banks and B-1 of the Compendium of Accounting Standards**. In this way, the FSAP makes progress in closing the gaps identified by the FSAP and continues with the implementation of the Basel III international standard in all areas, as well as further integration with international financial markets. The specific objectives are: i) establishment of responsibilities, policies, procedures and controls for collateral management; ii) collateral eligibility requirements; iii) legal evaluation requirements for collateral; iv) valuation and revaluation criteria; and v) guidelines for the registration, custody, pledge and enforcement of collateral as credit risk mitigants.

2. Main points

The proposed rulemaking includes several key amendments:

- **Establishment of responsibilities and controls.** It defines the responsibilities, policies, procedures and controls that banks must have in place to properly manage collateral. This includes the identification, valuation and monitoring of accepted collateral. Banks should establish clear and detailed policies covering all aspects of collateral management, ensuring that these policies are regularly reviewed and updated.
- **Collateral eligibility requirements.** The general and specific requirements that collateral must meet to be considered eligible are specified. This covers aspects such as the quality of the collateral, its liquidity and the ability to be enforced in the event of default. Collateral must be rigorously assessed to ensure that it meets the established standards and that it can be effectively used to mitigate credit risk.
- **Collateral valuation.** Criteria and methodologies are established for the valuation of collateral, ensuring that its value adequately reflects the mitigated credit risk. This includes the frequency of valuations and necessary adjustments based on market conditions. Banks must use recognised and consistent valuation methodologies and perform regular valuations to maintain the accuracy of the values assigned to collateral.
- **Guidelines for the registration, safekeeping, pledging and enforcement of collateral held as credit risk mitigants.** Clear guidelines are established for banks on the comprehensive management of collateral. This includes detailed procedures for the proper recording of collateral, ensuring its proper safekeeping and protection. In addition, the processes for the release of collateral, i.e. the release of collateral upon fulfilment of the corresponding obligations, are specified. Finally, it describes the necessary steps for the enforcement of collateral in the event of default, ensuring that banks can enforce collateral efficiently and in accordance with current regulations.
- **Impacts:** in principle, these changes would not have any impact on the current results being delivered by Capital and Provisions, but would rather reinforce the management and control of guarantees.

3. Next steps

- The public consultation will be open until **28 March 2025**.
- These new guidelines will be effective as of **January 1, 2026**.

23/01/2025

E CMF - Second time application of Pillar 2 capital requirement regulations

1. Context

In recent years, the implementation of the Basel III standards has been a priority for financial regulators worldwide. These standards aim to strengthen the regulation, supervision and risk management of the banking sector, with the objective of increasing the resilience of banks to potential financial crises. Within this framework, regulators have been adopting various regulations to ensure that banking institutions maintain adequate levels of capital and effectively manage the risks to which they are exposed.

In this context, the CMF has applied Pillar 2 capital requirements regulations for the second time, continuing the progress in the implementation of the Basel III standards. The objective of this publication is to ensure that Chilean banks maintain adequate capital levels to cover specific risks that are not fully covered under Pillar 1, such as credit concentration risk and market risk in the banking book.

2. Main aspects

The regulation includes the following aspects:

- **Capital requirements.** The CMF has decided to apply the Pillar 2 capital requirements to the same institutions as in 2024: Banco Bice, Banco BTG Pactual Chile, Banco Consorcio, Banco del Estado de Chile, Banco Internacional, Banco Security, HSBC Bank (Chile), Banco de Chile and Scotiabank Chile. These requirements include capital self-assessment through the Equity Self-Assessment Report (EAPR), which considers both Pillar 1 risks and other specific risks, as follows: 0.90% for Banco Bice; 2.00% for Banco BTG Pactual Chile; 2.5% for Banco Consorcio; 1.25% for Banco Internacional; 1.75% for HSBC Bank (Chile); 1.25% for Banco Security; 0.25% for Banco del Estado de Chile; and to maintain the charge already constituted for this concept since June 2024, of 0.13% for Banco de Chile and 0.25% for Scotiabank Chile, corresponding to 25% of the total charge requested.
- **Gradual implementation.** The implementation of these requirements will be gradual, with 50% of the requirements to be recognised by 30 June 2025. The remaining percentages are to be built up annually as determined by the CMF, based on each year's capital adequacy assessment.

3. Next steps

- Banking institutions will be required to perform the capital self-assessment and submit the IAPE for the year 2024.
- The CMF will continue to monitor and assess the capital adequacy of banking institutions to ensure compliance with the new requirements.

23/01/2025

S CMF - Fintech Information System Manual Creation Policy
1. Context

In recent years, Chile's Financial Market Commission (CMF) has promoted a regulatory agenda focused on fostering innovation and transparency in the financial system, adapting to technological transformations and the rise of fintech. In this context, the enactment of Law No. 21.521, known as the Fintech Law, in January 2023, laid the groundwork for regulating and fostering financial inclusion in the country. As part of this process, in October 2024, the CMF held a public consultation to gather input from market participants to ensure that the final regulations addressed the sector's needs.

In this context, the CMF has published the **regulation that establishes the Manual of Fintech Information System**, which aims to define the standards and requirements for information submission by registered fintech entities. This framework regulates the collection of data on operations, risk management, and capital requirements, promoting transparency and regulatory compliance in the sector. Additionally, it seeks to strengthen trust in the digital financial ecosystem, foster competition, and ensure that fintech operates under principles that protect consumers and contribute to the financial system's stability.

2. Main points

The document highlights the following key points:

- **Frequency and information submission method.** The manual establishes the format, frequency, and official channel through which entities must submit information to the CMF. All information must be sent through the CMF Supervision platform, ensuring a standardized and efficient reporting process for registered entities.
- **Mandatory regulatory files.** The manual includes a total of 16 regulatory files that entities must report. These cover aspects such as operational volume, minimum capital, risk-weighted assets (operational, market, credit, and crypto-asset risks), completed transactions, advisory revenues, custody records and balances, and technological infrastructure and cybersecurity indicators.
- **Principles of modularity and proportionality.** The regulation adopts a modular and proportional approach, requiring entities to report only the information relevant to the nature of their authorized services, business volume, and associated risks. This approach aims to avoid unnecessary burdens on entities and ensure that the reported data is meaningful for supervision.
- **Standards for format and content.** Data must meet clear specifications regarding format and content. Files are of fixed-length records, which means that each record in the file must have a specific predefined length. If a record does not reach this length, it must be filled with additional characters: zeros (for numeric fields) or blank spaces (for alphanumeric fields). Each field must adhere to strict structural rules, such as filling with default data when sufficient information is unavailable. This ensures uniformity and quality in the submitted data.
- **Purpose of information reporting.** The information collected will enable the CMF to supervise the regulatory compliance of fintech entities and generate statistics to monitor industry trends and the impact of the regulations. This reinforces transparency and stability in the Chilean fintech ecosystem.

3. Next steps

- Entities must ensure they are registered and have access credentials to CMF Supervision in place before **May 1, 2025**.
- If already registered, entities must update the identification information provided in their registration or authorization request by **May 30, 2025**.

Q1 Relevant publications

Peru

09/01/2025



SBS - Consultation on the Regulation for the negotiation and accounting of derivative financial instruments in companies of the financial system



1. Context

In 2024, the SBS has worked on updating various regulations to improve the supervision and regulation of the financial and insurance system in Peru. These updates aim to harmonise local regulations with international standards, such as International Financial Reporting Standards (IFRS), and to ensure the stability and soundness of the financial system.

In this context, the SBS has published **the consultation of the regulatory project that approves the new Regulation for the trading and accounting of derivative financial instruments in companies of the financial system**. The objective of this regulation is to establish clear guidelines for the identification, measurement and accounting of derivative financial instruments, providing useful and relevant information for users of financial statements and other prudential considerations.

2. Main aspects

The proposed regulation includes several amendments:

- **Accounting for derivative financial instruments.** Derivative financial instruments will be measured at fair value upon initial recognition. They are classified into two categories: trading and hedge accounting. Changes in the fair value of derivatives for trading purposes will affect the results for the year.
- **Hedge accounting.** This chapter sets out the criteria and requirements for hedge accounting, which seeks to reflect in the financial statements the effects of risk management activities through the use of derivative financial instruments. It details the eligibility requirements and documentation required for hedging relationships.
- **Accounting for hedging relationships.** Describes the types of hedging accounting relationships, including fair value hedges, cash flow hedges and hedges of net investments abroad. It explains how gains or losses on hedging instruments and hedged items should be recognised and measured in the financial statements.
- **Identification and treatment of embedded derivatives.** It defines what an embedded derivative is and sets out the conditions under which they should be separated and accounted for separately from the host contract. Embedded derivatives in hybrid financial instruments must be assessed to determine whether they meet the separation criteria.
- **Authorisation for trading in financial derivative instruments.** The types of authorisation required to trade in financial derivative instruments, whether for trading or accounting hedging purposes, are described. It also details the requirements and procedures for obtaining such authorisations.
- **Overall limit on financial derivative instruments.** An overall limit is set for positions in financial derivative instruments, calculated on the basis of the fair value of the positions and the firm's effective equity.

3. Next steps

- The deadline for comments is **5 February 2025**.

09/01/2025



SBS - Draft regulation approving the new Regulation for the Classification and Valuation of Investments of Financial System Companies



1. Context

In 2024, the SBS has worked on updating various regulations to improve the supervision and regulation of the financial and insurance system in Peru. These updates aim to harmonise local regulations with international standards, such as International Financial Reporting Standards (IFRS), and to ensure the stability and soundness of the financial system.

In this context, the SBS has published for public consultation the **draft regulation approving the new Regulation for the Classification and Valuation of Investments of Financial System Companies**. The purpose of this regulation is to establish a uniform framework for the classification, measurement, and recording of investments, aligned with IFRS and aimed at strengthening financial stability and the quality of financial reporting by supervised entities.

2. Main points

The proposed regulation includes several amendments:

- **Classification of investment.** The regulation provides a detailed classification of investments into four main categories: (i) investments at amortized cost, (ii) investments at fair value through other comprehensive income, (iii) investments at fair value through profit or loss, and (iv) investments in subsidiaries, associates, and joint ventures. This classification aims to align accounting policies with IFRS and ensure proper financial statement presentation.
- **Business models for investment management.** Three business models guiding investment management are defined: (i) holding investments to collect contractual cash flows, (ii) managing investments to collect contractual cash flows and sell assets, and (iii) managing investments to obtain fair values through active sales. Each model includes specific criteria for defining how portfolios are managed and how they should be classified for accounting purposes.
- **Cash flow characteristics test (SPPI Test).** To classify investments in certain categories, they must pass the "SPPI Test," which ensures that contractual cash flows consist solely of payments of principal and interest on the outstanding principal. This analysis excludes instruments that do not reflect a basic loan, such as those linked to equity prices or commodity prices.
- **Valuation and subsequent measurement criteria.** The regulation establishes that all investments must initially be recorded at their fair value. Subsequently, depending on the assigned category, a specific measurement method will be applied: either amortized cost, fair value through profit or loss, or fair value through other comprehensive income. This approach allows for a more accurate reflection of the economic performance of investments.
- **Risk management and provisions.** Guidelines are introduced to identify and manage risks associated with investments, with a focus on credit risk. Additionally, the creation of provisions based on expected credit losses is required, which must be periodically updated to reflect changes in credit risk and ensure the financial system's stability.
- **Disclosure and transparency policies.** Financial system companies must maintain clear and updated policies on investment management available to the Superintendencia. This includes investment policies, accounting procedures, operational records, custody contracts, and reports to ensure efficient supervision aligned with international best practices.

3. Next steps

- The deadline for comments is **February 1, 2025**.

13/03/2025

C SBS - Draft regulation that approves the regulation for the prevention of ML/FT

SUPERINTENDENCIA
DE BANCA, SEGUROS Y AFP

1. Context

In recent years, the remote gaming and betting sector has experienced a remarkable growth, driven by the digitalization of platforms and the public's interest in new forms of online entertainment. In 2019, the SBS published SBS Resolution No. 2794-2019, establishing specific reporting obligations for these operators, such as the submission of semi-annual and annual reports by the Compliance Officer. This dynamism has increased the risks associated with financial crimes, which has led the authorities to strengthen the control and prevention mechanisms in these activities, in line with international standards on ML/FT prevention.

In this context, the SBS has published for public consultation the **draft regulation that approves the regulation for the prevention of ML/FT**. The regulation applies to legal entities that operate remote games and remote sports betting, under the supervision of the Ministry of Foreign Trade and Tourism (MINCETUR). The document establishes a comprehensive framework of obligations regarding prevention, detection and reporting of suspicious operations, as well as guidelines for the implementation of compliance systems adequate to the risk level of these activities.

2. Main points

The proposed regulation includes:

- **Integral compliance obligations.** Companies operating remote gaming or betting platforms must implement a System for the Prevention of Money Laundering and Financing of Terrorism (SPLAFT), which includes policies, procedures and controls adapted to the risk level of their activity. This system includes, among other aspects, the registration of relevant operations, the reporting of suspicious operations and the performance of internal or external audits.
- **Strengthening the role of the Compliance Officer and new regulatory requirements.** The regulation reinforces the role of the Compliance Officer as a key figure in the operation of SPLAFT, assigning him/her direct responsibility for coordinating with the Peruvian Financial Intelligence Unit (UIF-Peru) and MINCETUR, leading the management of ML/FT risks and ensuring regulatory compliance. The regulation also defines objective criteria to determine when the position must be full-time, allowing non-exclusive dedication only in certain cases. Finally, it details the procedures for appointment, removal, vacancy and communication with the authorities, which must be formally managed through the SISDEL platform.
- **Knowledge of the client and operating environment.** Enhanced due diligence measures are established for the identification and monitoring of customers, beneficial owners, directors, employees and suppliers. Companies must collect detailed information, carry out periodic verifications and establish procedures for risk situations, including the treatment of Politically Exposed Persons (PEPs).
- **Registration and reporting of transactions under new parameters.** The document establishes specific thresholds, for example, bets equal to or greater than 2,500 USD, above which information must be recorded in the register of operations (RO), as well as guidelines for detecting unusual transactions and reporting suspicious transactions to the UIF-Peru within a very short period of time, a maximum of 24 hours from its classification as suspicious.

3. Next steps

- The deadline for comments is **March 25, 2025**.
- Companies subject to this rule must implement the provisions within a maximum period of **120 calendar days from the entry into force of the rule**.
- Those companies already authorized as corporate compliance officers must adapt to the new rule within **60 business days from its entry into force**.

17/03/2025

C SBS - Resolution which introduces relevant modifications to the Financial System Market Conduct Management Regulations and the Insurance System Market Conduct Management Regulations



1. Context

In recent years, the regulation of market conduct in the financial and insurance system has been consolidated as one of the central pillars of the Peruvian regulatory framework. The aim is to ensure a more transparent, equitable and responsible relationship between financial institutions and users, especially in sensitive products such as mortgage loans and associated insurance. Between 2017 and 2019, the Market Conduct Management Regulations were approved through SBS Resolutions No. 3274-2017 and No. 4143-2019, which laid the foundations for the current framework. However, one of the critical issues identified in its application has been the marketing of credit life insurance, both because of its economic impact on users and because of its role in protecting against risk. This type of insurance is designed to cover the outstanding balance of a loan in the event of the death or disability of the holder, thus freeing the heirs or relatives from having to pay the debt.

In this context, the SBS has published **Resolution No. 890-2025**, which introduces relevant modifications to the Financial System Market Conduct Management Regulations and the Insurance System Market Conduct Management Regulations, as well as to their complementary regulations and current modifications. The measures adopted seek to improve the conditions for marketing credit protection insurance, ensure greater transparency regarding the associated costs and promote a more inclusive offer that is better suited to the needs of users.

2. Main points

The Regulations include the following modifications:

- **Conditioning of credit protection insurance.** It is established that credit protection insurance can only be a condition for contracting in mortgage loans for housing. For other credit products, its contracting will be optional and must have the express consent of the user. The entities must guarantee that there is at least one product per type of credit that does not require it.
- **User's right to choose insurance.** Companies must clearly inform users that they can choose to take out the insurance offered by the company or present alternative insurance that meets the previously stated conditions. No additional charges may be applied to the user when valid endorsed insurance is used.
- **Transparency in the costs and conditions of marketing.** Companies are required to publish on their website the details of the commercial premium of the credit life insurance, including brokerage fees, bonuses or other benefits granted to insurance brokers or marketers. This data must also be reported to the SBS through the Report of Commissions and Main Expenses.
- **Inclusive care and appropriate treatment for people with disabilities.** Organizations must develop specific policies and procedures to ensure full accessibility to service channels. In addition, conditions are established to exempt charges for over-the-counter transactions when this is the only accessible channel for people with disabilities.

3. Next steps

- The Resolution comes into force the **day after its publication** in the Official Gazette El Peruano.
- The established modifications have an adaptation period of **180 days** from the resolution coming into force.

21/03/2025



SBS - Resolution the basic accounts Regulation and the electronic money transactions Regulation



1. Context

The strengthening of the regulatory framework linked to financial inclusion in the country has been accompanied by progressive regulatory evolution. Based on previous provisions such as the Regulations on Basic Accounts and Electronic Money Transactions, the need for specific adjustments to customer identification and verification procedures was identified. These modifications also responded to the provisions of the National Policy on Financial Inclusion (PNIF). As part of the regulatory development, the proposals were submitted for public consultation through a formal procedure supported by the General Law of the Financial System and Supreme Decree No. 009-2024 issued by the Ministry of Justice and Human Rights, which allowed for the incorporation of public comments prior to their final approval by the competent authorities.

In this context, the SBS has published **Resolution No. 00908-2025 amending the basic accounts Regulation and the electronic money transactions Regulation**. These changes seek to strengthen customer identification and verification procedures, ensuring greater clarity and consistency in the requirements demanded by financial institutions. The main objective of this regulatory update is to continue promoting secure and simplified access to the financial system, in line with the guidelines established in the PNIF and with a vision aimed at expanding the population's participation in formal financial services.

2. Main points

The Resolution includes the following modifications to the basic accounts Regulations:

- **Article 1.** The definition of basic account is expanded, specifying that this type of financial product can be opened by both domestic and foreign individuals. This clarification seeks to reinforce the inclusive nature of the product, ensuring its availability to a greater number of people, regardless of their nationality or immigration status.
- **Article 5 on the simplified regime.** It details the minimum identification and verification requirements for opening basic accounts under the simplified regime. Customer information is now required to include the type and number of identity document (DNI), foreigner's card, identity card, passport or other recognized document, full name and updated address. Verification can be carried out through official entities such as the National Registry of Identification and Civil Status (RENIEC), Migration or the Ministry of Foreign Affairs, even after the account has been opened. In the case of face-to-face contracting, the corresponding document must be presented.

The Resolution includes the following modifications to the Regulations on electronic money transactions:

- **Article 5.** It is expressly established that simplified electronic money accounts can be opened by both domestic and foreign individuals, reaffirming the focus on financial inclusion in this type of product as well.
- **Article 7 on the simplified know-your-customer and due diligence regime.** The minimum data required to open simplified e-money accounts is specified, including the number and type of identity document and the customer's full name. Verification may be carried out through RENIEC, Migration, the Ministry of Foreign Affairs or other equivalent modalities, even after opening. In cases of face-to-face contracting, the physical presentation of the document is required.
- **Article 8 on the general due diligence regime.** The verification procedure for foreign clients is reinforced, indicating that it must be carried out through the competent entities mentioned above or by any other means that allows for an adequate record of the process, even if it is carried out after the account has been opened.

3. Next steps

- The Resolution comes into force as of **June 16, 2025**.

31/03/2025

CL SBS - Public consultation on the draft amendment of the Regulation for the Consolidated Supervision of Financial and Mixed Conglomerates



1. Context

The General Law of the Financial System and the Insurance System (Law No. 26702) provides for the power to regulate technical aspects related to the consolidated supervision of financial and mixed conglomerates. This work is carried out under the principles of transparency and participation, included in the Consolidated Text of the General Administrative Procedure Law and in Supreme Decree of Justice No. 009-2024, which establish the obligation to disseminate regulatory projects for public consultation. In this context, the regulatory proposals drawn up by the SBS have the technical support of its specialized areas and are aimed at strengthening accounting harmonization, the determination of effective equity and the quality of the financial information that must be submitted by the supervised entities.

In this context, the Superintendency of Banking, Insurance and Private Pension Fund Administrators (SBS) has published a **public consultation on the draft amendment of the Regulation for the Consolidated Supervision of Financial and Mixed Conglomerates**. The main objective of this publication is to specify the accounting treatment applied in the consolidation of financial statements, to harmonize accounting policies within supervised groups and to strengthen the methodology for determining effective equity, thus ensuring more coherent and transparent supervision that is aligned with prudential standards.

2. Main points

The Resolution includes the following modifications to the Regulation:

- **Update of the calculation of effective equity.** The methodology for calculating effective equity is redefined, considering the nature of the profits (whether or not they are subject to SBS accounting regulations) and their origin within the group. Caps and conditions for their inclusion in the consolidated capital levels (tier 1, additional tier 1 and tier 2) are also introduced.
- **Conditions for the capitalization of profits.** Companies in the consolidated group must execute profit capitalization agreements within a period of 90 days, both for profits from the current financial year and for previous financial years. Failure to comply with this obligation may result in sanctions, including the temporary exclusion of future similar agreements from the calculation of effective equity.
- **Treatment of intra-system investments.** Specific mechanisms are established to reverse unrealized gains and losses on investments of group companies in other financial or insurance entities. These reversals are allowed only under certain limits and conditions, ensuring that their calculation is not duplicated in consolidated equity.
- **Revision of information for supervision.** The structure of Article 20 on the information required for consolidated supervision is updated. Certain no longer necessary paragraphs are eliminated and new mandatory formats and documents are incorporated, such as quarterly elimination sheets, risk management manuals and annual compliance reports.
- **New notes to the financial statements.** The minimum notes that must be included in the consolidated financial statements are detailed, such as the composition of the group, accounting policies applied, relevant restrictions on transfers of funds, and details of companies excluded from consolidation. The retention of working papers is also regulated.
- **Accounting alignment and application of IFRS.** Harmonization of accounting policies is required among all group entities, preferably following SBS regulations. If this is not feasible, the use of IFRS is permitted, with justification for its application. Exceptions must be notified to and approved in advance by the Superintendency.
- **Expanded requirements for the risk management report.** The annual risk report must include a consolidated financial analysis, both qualitative and quantitative, covering liquidity, solvency, asset quality, profitability and risk concentration. It must also document the measures adopted and compliance with capital requirements.
- **Changes in the presentation of quarterly information.** Consolidated financial information must be presented within 30 days of the end of each quarter, and within 40 days of the end of the year. Each submission must be accompanied by explanatory notes as stipulated in Article 23 of the Regulations.
- **Reforms to technical annexes.** Changes are introduced to the structure, denomination and technical content of Annexes 8 to 14 of the Regulations, related to the calculation of equity, financing limits, concentration of investments, and solvency requirements. These changes seek greater clarity, consistency and alignment with the new provisions of the Regulations.

3. Next steps

- The deadline for submitting comments is **April 24, 2025**.
- As of the information corresponding to the second quarter of 2025 (that is, from **April 1, 2025**), entities must apply the new requirements when sending their reports to the SBS.

Q2 Relevant publications

Global

21/04/2025

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



1. Context

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

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

2. Main aspects

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

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

3. Next steps

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

21/04/2025

S

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



1. Context

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

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

2. Main points

The Application Paper includes:

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

3. Next steps

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

24/04/2025

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

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

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

2. Main aspects

The guide includes the following main aspects:

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

3. Next steps

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

29/04/2025



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



1. Context

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

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

2. Main aspects

The draft amendments include:

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

3. Next steps

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

25/06/2025

E ISSB - Guidance on transitioning to a risk-based solvency regime under IFRS S2**1. Context**

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

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

2. Main aspects

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

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

Q2 Relevant publications

European Region

25/06/2025

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



1. Context

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

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

2. Main aspects

The simplified mandate contains the following key aspects:

- **Revised scope of CSRD.** The Council supports the EC's proposal to reduce the reporting burden on companies and achieve the information objectives in a more proportionate manner, whereby the obligation to prepare and publish sustainability reports at individual level should be limited to companies with a net turnover of more than €450 million (compared to €50 million in the Commission's February 2025 proposal) and an average of more than 1,000 employees during the financial year. Companies, groups, and issuers that do not meet this threshold will remain free to submit sustainability reports on a voluntary basis, supported by the new voluntary sustainability reporting standards.
- **Revised scope of CS3D.** Although the EC had not considered changes to the scope of application of the CS3D, the Council, in light of the considerable regulatory burden imposed by due diligence obligations and in order to ensure proportionality, has raised the thresholds for the applicability of the CS3D to companies with more than 5,000 employees (compared to the 1,000 initially envisaged) and €1.500 million euros of net turnover (instead of the 450 million proposed by the Commission). This adjustment is in line with the objective of simplification, by limiting obligations to larger companies, which are those that have the greatest influence on value chains, those that have the most significant impact on human rights and the environment, and those that have the capacity to apply due diligence effectively.
- **Risk-based due diligence approach.** The Council's mandate confirms the approach proposed by the Commission in February 2025, which already provided for a shift from an entity-based to a risk-based approach to due diligence under the CS3D. Companies will be required to carry out a scoping exercise focusing on areas where actual or potential adverse impacts are most likely and severe, rather than conducting a comprehensive mapping of their entire value chain. The obligations are limited, as already proposed in the Commission's draft, to the company's own operations, its subsidiaries and its direct business partners (level 1). However, if objective and verifiable information points to risks beyond level 1, companies will have to carry out in-depth assessments at lower levels of the chain.
- **Simplified climate transition plans.** The obligation to adopt a transition plan for climate change mitigation under the CS3D has been substantially revised to reduce the burden and provide legal clarity. The Council specifies that the plan must include implementation measures, both planned and adopted, and that the objective is to ensure, through reasonable efforts, that the company's business model and strategy contribute to the transition to a sustainable economy and to limiting global warming. While the plan is aligned with the CSRD reporting framework, the legal obligation to adopt it remains anchored in the CS3D. The design elements of the plan, previously detailed in Article 22(1) of the CS3D, become optional, and companies are granted a two-year transition period from the date of application (July 26, 2029), during which the adoption of the plan is voluntary, extending the obligation until July 2031.
- **Civil liability framework maintained.** The Council confirms the deletion of Article 29(1) of the CS3D, thereby removing the harmonized civil liability regime at EU level. Member States will no longer be required to ensure that their national liability rules apply as mandatory provisions in cases where the claim is governed by foreign law. This also includes the deletion of the obligation to allow representative actions, as previously established at EU level. Instead, liability for damage caused by a breach of due diligence obligations will be governed by national rules, subject to the EU principles of effectiveness and equivalence. Member States shall continue to ensure that affected persons or communities have access to full compensation, without excessive compensation, and may choose, although they shall no longer be obliged to do so, to give mandatory effect to their liability provisions where foreign law would otherwise apply.
- **New transposition date for CS3D.** The Council's mandate sets a new deadline for the transposition of CS3D, which is now July 26, 2028. This date represents a second postponement, as the original deadline was July 2026, which was first extended to July 2027 by Directive (EU) 2025/794 (Stop-the-clock). The current mandate now adds a further year, confirming that Member States must transpose the Directive by that date. At the same time, the Council mandate provides that the Directive will apply to all companies falling within the revised scope from a single date of application, July 26, 2029. This replaces the previously envisaged phased implementation (in waves), as the text no longer distinguishes between categories of companies or staggered timetables. The combination of a uniform implementation

date (Article 37(1)) and significantly higher applicability thresholds confirms that the Directive will apply simultaneously to all companies within its scope.

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

3. Next steps

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

09/04/2025

CL EBA - Annual assessment reports on banks' internal methods for calculating capital requirements



1. Context

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

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

2. Main points

The assessment includes the following documents:

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

3. Next steps

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

30/04/2025

E EBA - First climate risk dashboard for the EU/EEA banking sector**1. Context**

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

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

2. Main points

The dashboard includes the following main characteristics:

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

3. Next steps

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

26/05/2025

E D EBA - Consultation paper on draft ITS amending CRR related public disclosure requirements



1. Context

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

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

2. Main points

The document covers the following key aspects:

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

3. Next steps

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

27/05/2025

S **EBA - Onboarding plan for Pillar 3 Data Hub**

D



1. Context

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

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

2. Main points

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

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

18/06/2025

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

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

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

2. Main aspects

The EBA publication includes the following ITS and RTS:

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

3. Next steps

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

13/06/2025

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



1. Context

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

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

2. Main aspects

The new Delegated Regulation covers the following key aspects:

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

3. Next steps

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

30/06/2025

E EC - New Clean Industrial Deal State aid Framework**1. Context**

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

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

2. Main aspects

The new framework covers the following key aspects:

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

3. Next steps

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

09/04/2025



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

1. Context

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

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

2. Main points

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

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

3. Next Steps

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

10/04/2025



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

E 1. Context

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

25/1

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

2. Main points

The stress test includes:

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

3. Next steps

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

30/04/2025

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



1. Context

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

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

2. Main aspects

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

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

3. Next steps

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

04/04/2025

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

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

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

2. Main points

The document contains the following key aspects:

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

3. Next steps

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

Q2 Relevant publications

Spain

10/04/2025

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



1. Context

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

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

2. Main points

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

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

3. Next Steps

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

Q2 Relevant publications

UK



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



BANK OF ENGLAND

1. Context

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

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

2. Main points

The consultation includes the following main aspects:

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

3. Next steps

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

25/04/2025

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



BANK OF ENGLAND

1. Context

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

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

2. Main points

The supervisory statement includes the following main aspects

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

3. Next steps

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

09/05/2025

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



1. Context

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

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

2. Main points

The DP includes the following main aspects:

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

3. Next steps

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

21/05/2025

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

BANK OF ENGLAND

1. Context

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

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

2. Main points

The document includes the following main aspects:

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

3. Next steps

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

Q2 Relevant publications

Chile

30/04/2025

CL

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

1. Context

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

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

2. Main points

The update includes the following key elements:

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

3. Next steps

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

27/05/2025

CL

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



1. Context

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

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

2. Main points

The proposal includes the following key elements:

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

3. Next steps

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

06/06/2025

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



1. Context

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

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

2. Main points

The regulation includes the following key elements:

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

3. Next steps

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

11/06/2025

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



1. Context

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

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

2. Main aspects

The proposal includes the following main aspects:

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

3. Next steps

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

30/06/2025

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

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

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

2. Main aspects

The proposed regulation include the following aspects:

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

3. Next steps

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

Q2 Relevant publications

Colombia

03/04/2025

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



1. Context

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

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

2. Main points

The circular includes the following main aspects:

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

3. Next steps

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

06/05/2025

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



1. Context

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

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

2. Main points

The circular project includes the following main aspects:

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

3. Next steps

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

22/05/2025

CL

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



1. Context

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

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

2. Main points

The circular includes the following main aspects:

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

3. Next steps

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

27/05/2025

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



1. Context

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

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

2. Main points

The document cover the following key aspects:

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

3. Next steps

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

25/06/2025

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



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

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

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

Q3 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 definition of default 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

S 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 cryptoasset 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, cryptoassets 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 resolution colleges



R

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 CRD**G****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 for **D** 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 eInvoicing, 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 reorganisation 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



1. 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.

2. 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 forma 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.

Q3 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.

Q3 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 channelling 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.

Q3 Relevant publications

Mexico

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 capitalisation 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**

ÓRGANO DEL PODER EJECUTIVO FEDERAL 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**.

Q3 Relevant publications

Peru

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**.

Q4 Relevant publications

Global

10/12/2025

G BCBS - Principles for the sound management of third-party risk

Basel Committee
on Banking Supervision



3. Context

For years, banks have been using agreements with third parties to access specialised knowledge, reduce costs and increase operational efficiency and resilience. The traditional focus of supervision was on outsourcing as a subset of these agreements, as outlined in the 2005 Joint Forum document Outsourcing in Financial Services. Digitisation and the adoption of new technologies have significantly increased banks' dependence on external providers for critical services and complex supply chains, requiring a shift from the classic concept of outsourcing to a broader framework of third-party relationships and their associated risks. On this basis, in July 2024 the BCBS submitted for consultation a document on the principles for the prudent management of third-party risk, open for comments until 9 October 2024.

In this context, the BCBS has published the **final version of the principles for the prudent management of third-party risk**, with the aim of establishing a holistic framework for managing this risk that complements the principles of operational resilience and operational risk management, providing a common reference for banks and supervisors throughout the lifecycle of relationships with external service providers.

4. Main aspects

Among the main new features compared to the consultation document are

- **Principle 1 on board responsibility and third-party strategy.** Focus is placed on the board's ultimate responsibility for monitoring the bank's third-party risks as a whole. In addition, it is reinforced that the board must explicitly define the risk appetite and tolerance for disruption associated with third-party relationships, and not just verify that the bank is acting within pre-set parameters.
- **Principle 2 on the role of senior management and the management framework.** It clarifies that senior management must not only implement the third-party risk management framework, but also ensure that the board is expressly informed about the performance of suppliers and the relevant risks of agreements, thus reinforcing accountability to the governing body.
- **Principle 3 on risk assessment throughout the life cycle.** The general approach is maintained, but it is made explicit that risk assessment must be updated periodically and whenever there are significant changes in the agreement, the supplier or the environment, emphasising that it is a dynamic process integrated into the third-party risk management framework.
- **Principle 4 on due diligence on suppliers.** Greater emphasis is placed on the fact that due diligence must also be based on the results of monitoring the bank's previous relevant agreements with that supplier and include: i) the third party's capacity and ability to provide the service, including the supplier's capacity to manage its own supply chain, including the identification and management of relevant third parties (nth parties); ii) known and potential risks in relation to the agreement; and iii) benefits and costs associated with the agreement.
- **Principle 5 on contracts and minimum content.** The rights of access to information and audit (for banks and supervisors) and business continuity obligations in critical agreements are better specified. At the same time, the obligation for the supplier to take out certain insurance policies is no longer included as a minimum contractual clause and is now analysed as part of due diligence on how the supplier manages insurable risks.
- **Principle 6 on the onboarding of new suppliers.** The principle is reformulated to focus on the onboarding process for new suppliers, with less operational detail, and reinforces the idea that, for each onboarding, the bank must ensure that the supplier understands the applicable policies and requirements and that the records and dependency maps are updated.
- **Principle 7 on ongoing monitoring and incident management.** The need for ongoing monitoring is maintained, but it is made more explicit that this should also include key third parties in the supply chain, and that third-party records should be used to assess concentration risk at the bank level, with information provided to senior management and the board when relevant changes occur.
- **Principle 8 on business continuity.** It is specified that the bank's continuity plans must consider alternative strategies (e.g. multiple suppliers or reinternalisation) consistent with its tolerance for disruption. For critical services, the expectation that the supplier's continuity plans are aligned with those of the bank and tested periodically, including joint testing where appropriate, is reinforced.

- **Principle 9 on exit plans and strategies.** It provides more detail on what exit plans and strategies should cover (necessary resources, timelines and transfer of assets, including data and knowledge), and emphasises that strategies for unplanned terminations should be based on plausible scenarios and reviewed regularly.
- **Principle 10 on supervisory assessment of the third-party framework.** The language is strengthened to require supervisors to explicitly assess third-party risk management as part of ongoing supervision, highlighting its integration into the operational risk framework and operational resilience, and the need for supervisors to have sufficient capabilities in this area.
- **Principle 11 on systemic risks and supplier concentration.** The list of information sources and tools (registers, interdependency maps, recovery and resolution plans, incidents, data analysis, scenarios) that supervisors can use to identify and assess systemic risks, including those linked to concentration on certain suppliers, is expanded.
- **Principle 12 on cross-border and cross-sectoral coordination.** The text further elaborates on how cooperation between authorities (continuity exercises, information forums, coordinated actions, etc.) can be organised to monitor and mitigate the risks associated with critical suppliers operating in multiple jurisdictions or sectors, while maintaining the overall approach of the consultation text.

17/10/2025

T ISO - Standard ISO/IEC 27701:2025 on information security, cybersecurity, and privacy protection



1. Context

In August 2019, the ISO/IEC 27701 standard was published as an extension of the ISO/IEC 27001 and ISO/IEC 27002 standards, with the aim of providing a specific framework for privacy management and the processing of personally identifiable information (PII). This standard became a key reference for organizations seeking to demonstrate compliance with the General Data Protection Regulation (GDPR) and other international data protection regulations. However, the evolution of cybersecurity practices, updates to the base standards in 2022, and advances in technologies such as cloud computing and artificial intelligence created the need to review and update its content to maintain its consistency and applicability.

In this context, ISO and the IEC have published the new **ISO/IEC 27701:2025 standard on information security, cybersecurity, and privacy protection**, whose goal is establishing, implementing, maintaining, and continuously improving a Privacy Information Management System (PIMS). This new text modernizes the previous version, aligns it with the updated standards of the 27000 family, and reinforces the approach of accountability and transparency in the processing of personal data.

2. Main aspects

The new standard introduces changes compared to the 2019 version and highlights key elements:

- **More complete and modernized requirements for establishing, implementing, maintaining, and continually improving a Privacy Information Management System (PIMS).** This reinforces the definition of privacy policies and objectives, the identification and classification of personal data, managing risks and responsibilities, the implementation of operational controls to protect information, the monitorization of system performance, and the ensure of continual improvement. It applies to PII controllers and processors, including those operating jointly or subcontracted, and to all types of organizations: public, private, and non-profit.
- **More detailed guidance for managing privacy risks, regulatory compliance, and accountability.** This includes more instructions on implementing controls, measuring their effectiveness, and documenting evidence of compliance. It aims to facilitate agreements and relationships with business partners, as well as provide evidence of good practices in PII handling.
- **Better alignment with other management standards and regulations.** These include ISO/IEC 27001 about requirements for an information security management system; ISO/IEC 29100 which establishes privacy framework and general principles; ISO/IEC 27018, which establishes guidelines for protecting personal information in public cloud environments; ISO/IEC 29151, the code of practice for protecting PII and the European Union (EU) GDPR.

11/12/2025

ISSB - Targeted amendments to GHG emissions disclosure requirements in IFRS S2 Climate-related Disclosures



1. Context

Since issuing International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures in June 2023, the ISSB has supported preparers through guidance materials, the Transition Implementation Group (TIG), and ongoing engagement with jurisdictions preparing to adopt the Standard. As entities began working towards implementation, several practical challenges emerged, particularly in relation to greenhouse gas (GHG) emissions disclosures. These challenges concerned complex areas such as Scope 3 Category 15 emissions (which capture emissions associated with financial investments and are often difficult to measure), the requirement to use the proprietary Global Industry Classification Standard (GICS) system for disaggregating financed emissions, and cases where local regulations obliged companies to apply different GHG measurement methods or global warming potential (GWP) values from those mandated in IFRS S2. Together, these issues risked leading to duplicated reporting obligations, inconsistencies across jurisdictions and increased operational burdens for preparers.

In this context, the ISSB has published **targeted amendments to GHG emissions disclosure requirements in IFRS S2 Climate-related Disclosures** to address the practical challenges that emerged as companies began preparing to apply the Standard. The amendments introduce focused reliefs and clarifications to make the requirements more workable in practice, while ensuring that investors continue to receive decision-useful information and avoiding unnecessary disruption for jurisdictions that are in the process of adopting or aligning with the ISSB Standards.

2. Main aspects

The amendments introduce the following key changes:

- **Limitation of Scope 3 Category 15 emissions to financed emissions.** The amendments clarify that entities may limit the measurement and disclosure of Scope 3 Category 15 GHG emissions to financed emissions only. This means companies are no longer required to report other types of Category 15 emissions, such as facilitated or insurance-associated emissions, which are often difficult to measure and lack established methodologies.
- **Flexibility to use alternative industry-classification systems.** IFRS S2 originally required the use of the GICS to disaggregate financed emissions. The amendments now allow entities to use alternative, commonly used classification systems, including those required by local regulators, provided they still enable users to understand exposure to climate-related transition risks.
- **Clarification of jurisdictional relief for GHG measurement methods.** The amendments confirm that entities may apply jurisdictional relief from using the GHG Protocol where a local authority or listing venue requires a different emissions-measurement method. Importantly, this relief may be applied to the entire Entity or only the part subject to the jurisdictional requirement, avoiding the need for dual measurement systems and easing compliance for multinational groups.
- **Introduction of jurisdictional relief for GWP values.** IFRS S2 previously required entities to use GWP values from the latest Intergovernmental Panel on Climate Change (IPCC) Assessment Report when converting GHG emissions. The amendments now introduce relief allowing entities to use alternative GWP values mandated by jurisdictions or exchanges. This ensures alignment with local reporting frameworks and reduces the need for recalculations, while maintaining transparency through accompanying disclosure requirements.

3. Next steps

- The amendments will apply to annual reporting periods beginning on **1 January 2027**, with early application permitted.

Q4 Relevant publications

Europe

18/12/2025

C AMLA - Advancing harmonised EU AML/CFT supervision



1. Context

The strengthening of the European framework for the prevention of money laundering and terrorist financing responds to the need to move towards a more coherent, consistent and effective supervisory system across the European Union (EU). Experience gained in recent years has highlighted significant differences in national supervisory practices, as well as limitations in the ability to supervise complex entities with cross-border activities, which has led to the model evolving towards greater coordination and centralisation at European level.

In this context, the AMLA has published an **institutional statement** on progress towards a harmonised European supervisory model for the prevention of money laundering and terrorist financing, and a **public consultation document** on draft implementing technical standards that develop the mechanisms for cooperation between the AMLA and national financial supervisory authorities, the process for selecting entities that will be subject to direct supervision, and the transfer of supervisory tasks and powers. The aim of this publication is to gather input to help define the operational elements of the future European supervisory model.

2. Main aspects

The institutional communication sets out the structural elements of the future supervisory model, while the public consultation document elaborates in greater detail on the technical and operational aspects necessary for its implementation. The main elements of the AMLA's institutional communication are:

- **Direct supervision of higher-risk institutions from 2028.** The communication describes the AMLA's future exercise of direct supervision over up to 40 financial institutions or groups considered to be the most complex and highest risk in the European Union. This direct supervision will be organised as a complement to the existing national supervisory system and will focus on those institutions whose size, complexity or risk profile require an integrated European approach.
- **Common risk assessment methodology.** The communiqué sets out the development of a common methodology for assessing the risks of money laundering and terrorist financing, applicable uniformly throughout the European Union. This methodology will enable consistent assessment of risks at entity and group level, serve as a reference for identifying higher-risk entities and underpin both direct supervision and structured cooperation with national authorities.

The public consultation covers the following main aspects:

- **Cooperation between the AMLA and national financial supervisory authorities.** The document sets out the frameworks for operational cooperation between the AMLA and national authorities, including information flows, supervisory coordination mechanisms and the allocation of responsibilities at the different stages of the process. It describes the channels and procedures for ensuring integrated supervision, avoiding overlaps and ensuring consistency of action.
- **Selection process for entities under AMLA's direct supervision.** The consultation details how the selection process for financial entities or groups that will be under direct supervision will be structured, including the use of risk assessments, the participation of national authorities in identifying relevant entities, and AMLA's role in final decision-making. This process is designed to be dynamic and based on up-to-date information on risk profiles.
- **Transfer of supervisory tasks and powers.** The document addresses the framework for the progressive transfer of supervisory tasks and powers from national authorities to AMLA once the entities subject to direct supervision have been selected. It develops aspects related to the continuity of supervision, coordination during the transitional period, and the clear delimitation of competences between the different levels of authority.
- **Joint supervisory teams (JSTs).** The consultation elaborates on the role, composition and functioning of JSTs, which are made up of staff from the AMLA and the national competent authorities (NCAs). These teams are configured as the main operational instrument for the exercise of direct supervision, allowing for a combination of local knowledge and a European approach, as well as the consistent application of supervisory standards.

3. Next steps

- The period for submitting comments ends on **27 January 2026**.
- On the basis of the contributions received, the Authority is expected to continue to advance its operational deployment and to publish, in subsequent phases, guidelines and development documents to facilitate the progressive implementation of a more harmonised and consistent supervisory system across the EU, in coordination with the NCAs.

12/12/2025

C Council - Advances in the EU Securitisation Framework Reform



1. Context

The review of the European securitisation framework responds to the need to revive and strengthen the role of securitisation as a tool for financing the real economy, in a context of increased pressure on bank balance sheets and the growing importance of capital markets. Within the framework of the Capital Markets Union and the work to strengthen the risk absorption capacity of the European financial system, the European institutions have identified the need to adjust the prudential treatment of securitisations and to review the general regulatory framework applicable to these operations, with the aim of removing regulatory obstacles, improving capital efficiency and facilitating more effective risk transfer, while preserving financial stability.

In this context, **the Council of the EU has published its negotiating mandate** on the reform of the prudential treatment of securitisations, **the EP has published draft reports reflecting its initial position** on the proposed amendments to both the CRR and the Securitisation Regulation, and **the EC has published the opening of a formal feedback period**. The aim of this set of publications is to advance the legislative process for reforming the European securitisation framework, lay the groundwork for interinstitutional negotiations, and gather technical input that can contribute to defining the final content of the proposed amendments.

2. Main aspects

- **Amendment of the prudential treatment of securitisations in the CRR – Council position (document ST 16741/25).** The negotiating mandate adopted by the Council sets out the position of the Member States on the proposal to amend Regulation (EU) No 575/2013 on securitisation exposures. The proposed changes focus on a recalibration of the prudential treatment, including adjustments to the calculation of capital requirements applicable to different securitisation positions and to the criteria for recognising significant risk transfer (SRT). The Council text also addresses the consistency of the prudential framework with the functioning of the securitisation market and defines the scope for negotiation on key elements such as calculation methods, risk factors and conditions for capital relief, forming the basis for the Council's position in future trilogues.
- **Draft European Parliament report on the proposed amendment to the CRR (ECON-PR-779726).** The draft report published by the European Parliament's Committee on Economic and Monetary Affairs reflects the EP's initial position on the amendment to the CRR in relation to securitisation exposures. The document proposes amendments aimed at adjusting capital requirements and revising certain aspects of the prudential treatment applicable to securitisations, with the aim of improving the risk sensitivity of the framework and its consistency with the objectives of financing and risk transfer. The draft also addresses issues related to the recognition of transferred risk, the application of different prudential approaches and the consistency of the framework with other regulatory instruments, serving as a basis for the subsequent adoption of the EP's negotiating position.
- **Draft EP report on the proposed amendment to the Securitisation Regulation (ECON-PR-781372).** In parallel, the EP has published a second draft report on the proposed amendment to Regulation (EU) 2017/2402, which establishes the general framework for securitisation and the regime for simple, transparent and standardised securitisations. This document introduces proposals for adjustments to the operational, transparency and functioning requirements of the STS regime, as well as to certain obligations applicable to participants in securitisation transactions. The aim is to adapt the general regulatory framework to market developments and ensure its consistency with the proposed changes in prudential treatment, while maintaining the standards of simplicity, transparency and standardisation.
- **Feedback period opened by the EC.** In parallel with the legislative work of the Council and the EP, the EC has opened a formal feedback period on the initiative. This consultation process allows interested parties to submit technical comments that can feed into the legislative debate and the EC's position during the interinstitutional negotiation phase.

3. Next steps

- Once the EP has adopted its position in committee and subsequently in plenary, the formal start of the trilogues between the Council, the EP and the EC is expected.
- Stakeholders may submit comments to the EC during the feedback period, which is open **until 9 February 2026**, after which the public consultation process will be closed.

06/10/2025

E EBA - Work Programme 2026**1. Context**

The EBA's Work Programme outlines its strategic priorities and planned activities for the upcoming year, reflecting the broader Union priorities and strategies for the financial sector. This document is essential for aligning the EBA's efforts with the legislative and regulatory developments within the European Union (EU), particularly in response to economic, geopolitical, and technological changes.

In this context, the EBA has published its **Work Programme for 2026**, detailing its objectives, strategic priorities, and specific activities aimed at simplifying and streamlining the regulatory and supervisory framework, strengthening risk analysis capabilities, and accelerating the sector's technological adaptation through a comprehensive assessment of the framework, specific actions for the coming year in each of the four areas under review, and a quarterly schedule of deliverables for 2026.

2. Main aspects

The Work Program sets out the priorities for 2026. The EBA also details the approach for 2026 for each priority:

- **Manual and contribution to a single, resilient, and sustainable market.** The EBA will simplify and streamline the prudential framework, reinforcing proportionality, including the review of the Supervisory Review and Evaluation Process (SREP) in 2026, and advancing the implementation of the Banking Package in areas such as credit, operational risk, credit valuation adjustment (CVA), third-country branches (TCBs), securitization, and environmental, social, and governance (ESG) requirements. The roadmap for the EBA's mandates for the development of the payments package—which includes the third Payment Services Directive (PSD3), the Payment Services Regulation (PSR), and the Financial Data Access Regulation (FIDA)—will be presented, and mandates related to the crisis management and deposit insurance framework (CMDI), the Bank Recovery and Resolution Directive (BRRD), and the Deposit Guarantee Schemes Directive (DGSD) will be prioritized. In addition, the roadmap for the payments package will be published in the second quarter of 2026.
- **Risk assessment and capacity building for effective analysis, supervision, and control.** The EBA's capacity to identify risks and vulnerabilities will be strengthened by preparing the 2027 stress tests using top-down methodologies, particularly in relation to climate risks and exposure to non-bank financial intermediaries (NBFIs), while reducing reporting costs. The analysis of geopolitical, credit, and liquidity risks will be intensified, as will the monitoring of cyber threats, information and communication technology (ICT) incidents, and cooperation with European supervisory authorities (ESAs). In 2026, the supervision of critical ICT providers under the Digital Operational Resilience Act (DORA), the validation of tokens under the Markets in Crypto-assets Regulation (MiCA), and the central validation of initial margins under EMIR will begin, with progress expected in the first half of the year. In addition, reporting will be strengthened with the European Centralized Infrastructure for Supervisory Data (EUCLID), the Joint Banking Reporting Committee (JBRC) common dictionary, and the new 2026–2028 data strategy, with the publication of the 2027 stress test methodology and the availability of the supervisory data policy on the EUCLID platform expected in the third quarter of 2026.
- **Innovation and improvement of the technological capacity of all stakeholders.** The sector's technological capacity and customer protection will be boosted by monitoring innovation in artificial intelligence (AI), machine learning, crypto-assets, distributed ledger technology (DLT), and the digital euro. The EBA will coordinate the European Forum of Innovation Facilitators (EFIF) and the Supervisory Digital Finance Academy (SDFA), and will analyze AI use cases, big tech risks, and the advancement of decentralized finance (DeFi). On the consumer side, it will address over-indebtedness and risk reduction, supervise the Consumer Credit Directive (CCD2), and develop guidelines on indebtedness in 2027 in conjunction with the European Anti-Money Laundering Authority (AMLA). It will also update retail indicators, promote financial education, publish data on payment fraud, and promote greater transparency in digital contracting, including the presentation of a report on consumer credit in the second half of 2026.

29/10/2025

E **EBA - Consultation on the revised SREP and supervisory stress testing**
CL **guidelines**



1. Context

The SREP Guidelines published by the EBA in 2022, together with the Guidelines on the assessment of risks related to information and communication technologies (ICT), established the supervisory framework applicable to the comprehensive assessment of institutions' risks, including stress testing. Subsequently, with the entry into force of the Capital Requirements Directive (CRD) VI on January 1, 2025, Article 107(3) of that Directive mandated the EBA to review and update the common methodologies and procedures for the SREP to reflect recent regulatory developments, including the Capital Requirements Regulation (CRR) III and the Digital Operational Resilience Regulation (DORA).

In this context, the EBA has published a **consultation on the revised SREP and supervisory stress testing guidelines**, which will substitute both the 2022 SREP Guidelines and the Guidelines on ICT risk assessment. The aim of this revision is to align the Guidelines with recent regulatory developments and to strengthen supervisory convergence in the European Union (EU).

2. Main aspects

The revised guidelines under consultation present the following new features compared to the previous 2022 SREP Guidelines and the Guidelines on ICT risks in the SREP framework.

- **Business Model Analysis (BMA).** The materiality approach is reinforced, allowing previous supervisory assessments to be used as a baseline when there are no significant changes in the business model or risk profile of the institution. Climate and environmental risks, operational resilience, and the ability to withstand geopolitical events are explicitly incorporated into the BMA. Compared to the 2022 guidelines, these elements were not assessed in an integrated manner in the BMA.
- **Assessment of internal governance and institutional controls.** The DORA framework and third-party risk management are integrated into the internal control system, strengthening the aggregation and reporting of risk data in accordance with the principles of the Basel Committee on Banking Supervision (BCBS). Business continuity issues are moved to the Operational Risk chapter (Title 6.4). In addition, the new CRD VI requirements on the definition of responsibilities, mapping of functions, and the powers of the management body in relation to environmental, social, and governance (ESG) risks and ICT are incorporated. Compared to the 2022 guidelines, the level of requirements for technology and data has been increased, and continuity obligations have been reorganized.
- **Assessment of risks related to capital.** With regard to credit and counterparty risk, the framework remains unchanged, but the revision introduces the cross-cutting integration of ESG and resilience factors into all elements of the SREP, rather than treating them as separate risks, which represents a significant methodological change. In the area of market risk, the assessment of the transfer price applied to trading activities is incorporated for the first time. Similarly, operational risk—which now includes ICT and operational resilience risks—consolidates the former Guidelines on ICT risk assessment within the SREP framework into the operational block and aligns them with DORA. The concept of operational resilience is explicitly introduced and becomes an integral part of the SREP. Finally, a specific section on Credit Spread Variation Risk in the Investment Portfolio (CSRBB) is added, and a combined score for Interest Rate Risk in the Investment Portfolio (IRRBB) and CSRBB is established, which was absent from the 2022 guidelines.
- **SREP capital assessment.** The interaction between Pillar 1 and Pillar 2 requirements is operationalized following the entry into force of CRR III/CRD VI and the application of the output floor. A temporary cap is established by applying the Pillar 2 percentage to the total risk exposure amount (TREA) without a minimum limit, double counting risk is reviewed, and the amount or composition of Pillar 2 may be adjusted when the minimum capital requirements under Pillar 1 change materially. This operationalization of the output floor did not exist in the 2022 guidelines.
- **Assessment of liquidity and funding risks.** The assessment of liquidity risks and funding adequacy are merged into a single block, creating a new combined liquidity and funding adequacy score. In the previous guidelines, both aspects were analyzed separately.
- **Overall SREP assessment and communication.** A specific section has been created for the communication of SREP results, which includes the scope of the assessment, the scores (where applicable), and the justification of Pillar 2 requirements. In addition, supervisory measures have been moved to the corresponding chapters, directly linking the findings to the actions. In 2022, these measures were concentrated in a separate title and with less detail in the communication.
- **Cross-border groups and supervisory stress tests.** The framework for cross-border groups remains in place, but coordination and consistency between authorities is strengthened. The connection between SREP results and other processes, such as recovery plans and overall recovery capacity (ORC), which now directly inform capital and liquidity scores, is emphasized. In the area of stress testing, expectations

regarding resources, methodologies, and communication are detailed, and procedures for setting Pillar 2 Guidance (P2G) targets and Pillar 2 Guidance on liquidity ratios (P2G-LR) are clarified.

- **Third-country branches (TCBs).** A specific chapter dedicated to third-country branches is included for the first time, in line with the new Articles 48m and 48n of CRD VI, which set out the prudential requirements applicable to branches of third-country institutions operating in the EU. This section seeks to ensure consistent prudential assessment and the identification of contagion risks to the EU financial system, which is a new development compared to 2022.

3. Next steps

- The consultation will be open until **January 26, 2026**.
- The Guidelines will be applicable from **January 1, 2027**.

03/11/2025

CL EBA - Final draft of RTS on criteria for assessing the materiality of CVA risk arising from securities financing transactions



1. Context

Article 382(6) of the Capital Requirements Regulation (CRR) mandates the EBA to develop RTS specifying the conditions and criteria for determining when CVA risk exposures arising from securities financing transactions (SFTs) measured at fair value should be considered material for prudential purposes. To this end, the EBA launched a public consultation on draft RTS in July 2024, with a comment period ending in October 2024. The comments received focused mainly on the proportionality of the materiality threshold and the operational burden associated with the implementation of the new prudential framework.

In this context, the EBA has published the **final draft RTS on the criteria to assess the materiality of CVA risk exposures arising from securities financing transactions**, with the objective of defining harmonized criteria for determining materiality, ensuring a consistent and quantitative assessment across institutions, and reinforcing prudential harmonization within the EU.

2. Main aspects

The final draft establishes a quantitative and standardized approach to assess the materiality of CVA risk exposures arising from fair-valued SFTs, in line with the mandate set out in the CRR. The most relevant elements are as follows:

- **Materiality criteria.** Institutions shall compare the total own funds requirement for CVA risk including SFTs with the requirement calculated without them. If the increase exceeds 5%, the SFTs shall be considered material and must be included in the calculation of own funds requirements for CVA risk.
- **Frequency of assessment.** Some entities commented that the frequency of the assessment should be consistent with capital reporting cycles so as not to duplicate efforts. Thus, the rule stipulates that the assessment of the materiality of CVA risk exposures arising from SFTs should be carried out on a quarterly basis, using 31 March, 30 June, 30 September and 31 December as reference dates. This frequency is aligned with the deadlines applicable to the calculation and reporting of prudential requirements for CVA risk established under the CRR.
- **Time reference.** The materiality assessment should be carried out exclusively on the basis of the ratio corresponding to the reference quarter, eliminating the mechanism of averaging the last four quarters that had been proposed in the public consultation.

3. Next steps

- The EBA has submitted the final draft of the RTS to the European Commission for formal adoption as a Delegated Regulation. Once adopted, the Delegated Regulation will be reviewed by the European Parliament and the Council.
- These RTS will enter into force on the twentieth day following its publication in the Official Journal of the EU (OJEU).

07/11/2025

CL EBA - Public Consultation on the Guidelines on the authorisation of TCBs under the CRD**1. Context**

The CRD IV creates harmonised regime for TCBs, aimed at ensuring consistent supervision and a level playing field between European Economic Area (EEA) and non-EEA institutions. Under its Article 48c(8), it grants the EBA a mandate to develop Guidelines specifying the information that institutions must provide in authorisation applications, the procedure, and applicable formats, as well as the conditions for authorisation and the circumstances under which previously submitted information may be reused.

In this context, the EBA has launched a **public consultation on the Guidelines on the authorisation of TCBs under the CRD**, with the objective of establishing common criteria for the assessment, content and authorisation process of such branches, thereby strengthening supervisory convergence and ensuring the consistent application of the new prudential regime across the EEA.

2. Main aspects

The public consultation launched by the EBA addresses the main elements of the new authorisation process for TCBs in the EEA, outlining the points on which stakeholder feedback is sought, and which are essential for the practical implementation of the framework established under the CRD.

- **Non-objection statement from the home authority.** The EBA seeks feedback on whether the scope and content of this statement are appropriate to ensure effective coordination between supervisors without creating excessive burdens. The consultation aims to clarify whether this requirement should be limited to a formal confirmation or include a substantive assessment of the parent institution's solvency and governance.
- **Information required in the programme of operations.** Feedback is requested on whether the level of detail required in the business plan, governance structure and control mechanisms is proportionate to the risks of the planned activities. The EBA aims to balance transparency with the administrative burden for institutions and avoid duplication with other information requirements.
- **Reuse of information from previous authorisation procedures.** The consultation seeks input on the conditions under which national competent authorities (NCAs) may rely on documentation previously submitted in other TCB authorisation procedures. The goal is to define objective criteria for accepting such information as valid, up to date and verifiable, thereby avoiding the repetition of processes.
- **Clarity and flexibility of procedural elements.** The EBA requests comments on the drafting of sections related to timelines, stages and communications within the authorisation process. It aims to confirm whether the Guidelines provide sufficient clarity for institutions and allow NCAs to adapt processes without undermining the consistency of the European framework.

3. Next steps

- The public consultation will remain open until **3 February 2026**.
- A virtual public hearing will be held on **10 December 2025**, with registration closing on 8 December at 16:00 CET.

07/11/2025

S EBA - Final Guidelines on ESG scenario analysis



1. Context

The European regulatory framework for environmental, social, and governance (ESG) risk management has been progressively strengthened. In July 2021, the European Commission adopted the Renewed Sustainable Finance Strategy, which, together with the Capital Requirements Directive (CRD) VI, introduced the mandate for competent authorities to ensure that institutions assess their resilience to the long-term impacts of ESG factors, starting with climate factors. In this context, in January 2025, the EBA launched a consultation on the Guidelines on ESG scenario analysis, as part of the development of the mandate of Article 87a(5) of CRD VI, complementary to the Guidelines on ESG risk management, with the aim of establishing common standards on the identification, measurement, and management of these risks.

In this context, the EBA has published the **final Guidelines on ESG scenario analysis**, with the aim of complementing the ESG risk management guidelines and establishing criteria and methodologies for institutions to assess their resilience to negative impacts arising from environmental factors, mainly physical and climate transition risks, through the use of scenario analysis and specific stress tests.

2. Main aspects

The final version includes the following new features in each section of the Guidelines with respect to the consultation document:

- **Compliance and reporting obligations of competent authorities.** The general structure remains unchanged, but relevant clarifications have been introduced: updating the reference to Article 16 of Regulation 1093/2010, which establishes the EBA, to align the text with the standard wording used by the EBA in its recent guidelines, thereby strengthening the legal basis for the compliance obligation under the comply-or-explain principle. In practice, this means that national authorities must formally notify the EBA, within two months of the publication of the official translations, whether or not they will apply the guidelines, and justify any deviation.
- **Purpose, scope, and definitions.** The final version limits the scope to environmental factors, excluding social and governance factors due to a lack of methodological maturity, and reinforces consistency with CRD VI, the ESG Risk Management Guidelines, and the Stress Testing Guidelines. It also specifies that the definitions of competent authorities and entities shall be understood in accordance with Articles 4(1) and 4(2) of Regulation No. 1093/2010, ensuring terminological consistency with the rest of the EBA guidelines, and that these shall be applied in accordance with the level of consolidation provided for in Article 109 of CRD.
- **Purpose, governance, and proportionality in environmental scenario analysis.** The integration of scenario analysis into management and strategy is reinforced, linking it to internal governance guidelines and senior management. The complementarity between climate stress testing (CST) and climate resilience analysis (CRA) is clarified, establishing that CRA is constructed as an extension of CST. In addition, a three-tiered proportionality approach is introduced—large entities, less significant entities (LSI), and small and non-complex entities (SNCI)—allowing for qualitative or simplified methods for smaller entities.
- **Development of environmental scenario analysis.** The general step-by-step approach is replaced by one focused on environmental scenarios, with greater precision on internal consistency, time horizons (minimum 10 years), and combined risks, clarifying that the time horizons indicated are only indicative and not prescriptive, and that entities may adapt them to their circumstances. The set of reference organizations cited is expanded, distinguishing climate risks from other environmental risks. Furthermore, common trajectories are added to facilitate convergence. Feedback loops are incorporated into the modeling and new transmission channels (nature, reputation, and just transition). Likewise, the formalistic approach is replaced by a results-based approach, requiring entities to establish robust due diligence and governance processes, maintaining the list of channels in the annex as a reference. In addition, the new version establishes that the static (constant) balance approach should be used as the primary method, while the dynamic balance may only be used as a supplement, thus removing the flexibility of the draft. It is also expressly clarified that entities are not required to perform reverse stress tests, the reference to the separate information technology (IT) environment is removed, and the role of expert judgment in additional stress factors is reinforced.
- **Use of environmental scenario analysis.** This is a new section not present in the draft. It establishes how the results of the analysis should be integrated into the internal processes for assessing capital adequacy (ICAAP), liquidity (ILAAP), and the supervisory review and evaluation process (SREP), documenting the assumptions, limitations, and decisions derived, and updating the models periodically. In addition, it links the analysis to the transition and sustainability plans required by the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), by requiring institutions to use the results of the scenarios to assess the viability of their

decarbonization strategies and adjust their plans based on plausible adverse scenarios. This block turns scenario analysis into a cross-cutting and binding management and oversight tool..

3. Next steps

- The implementation date has been unified, postponing it for all entities until **January 1, 2027** (the version under consultation provided for a staggered schedule—January 2026 for significant entities and January 2027 for small and non-complex entities).

19/11/2025

T EC - Digital Omnibus Package



1. Context

The EU has developed in recent years a broad digital regulatory framework covering several key areas: (i) data protection, with the General Data Protection Regulation (GDPR) and the Directive on privacy and electronic communications; (ii) artificial intelligence, with the Artificial Intelligence Act (AI Act); (iii) cybersecurity, with the Directive on measures for a high common level of cybersecurity across the EU (NIS2), the Digital Operational Resilience Act for the financial sector (DORA) and the Cybersecurity Act; and (iv) data, with the Data Act and the European Data Strategy. Building on this foundation, the European Commission (EC) has launched a simplification agenda through successive Omnibus packages aimed at reducing administrative burdens by 25%, with the digital package being the seventh Omnibus proposal within this strategy.

In this context, the EC has published **the digital Omnibus package, the new Data EU Strategy and the proposal of a European business wallet**. The digital package proposes simplified rules on AI, cybersecurity and data. The objective is to streamline and strengthen the EU's digital framework, allowing companies to dedicate fewer resources to formal compliance and more to innovation, with an estimated saving of up to EUR 5 billion in administrative costs by 2029 and, additionally, up to EUR 150 billion annually thanks to the new digital business wallets.

2. Main aspects

The main elements of the digital Omnibus package include:

- **Innovation-friendly AI rules.** It introduces adjustments to the AI Act to facilitate its implementation. In addition, it links the enforceability of requirements for high-risk systems to the availability of support tools and technical standards, with a maximum period of 16 months from the moment the Commission confirms that these tools are ready. It also extends the simplifications currently available for small and medium-sized enterprises (SMEs) to mid-cap companies, broadens access to controlled testing environments, including the EU-wide sandbox planned for 2028 and other real-world testing in key sectors, and strengthens the role of the AI Office through centralized oversight of systems based on general-purpose models, reducing governance fragmentation.
- **Simplifying cybersecurity reporting.** A mechanism is established allowing companies to report cybersecurity incidents through a single interface, replacing the multiple reporting obligations currently spread across instruments such as NIS2, DORA, or the GDPR.
- **Privacy framework supportive of innovation.** It is proposed targeted amendments to the GDPR, keeping the highest level of personal data protection, to clarify and harmonise requirements, especially in areas where divergent interpretation among Member States has created additional burdens.
- **Modernising cookie rules to improve online user experience.** Consent management will be facilitated through configurations in browsers and operating systems, allowing users to express their preferences centrally and avoiding repeated pop-up requests.
- **Improving access to data.** The package aims to strengthen access to data as a driver of innovation by simplifying and making the data framework more practical for consumers and businesses. To this end, it consolidates four EU data-related acts into a single Data Regulation, introduces specific exemptions from certain cloud-switching obligations for SMEs and mid-cap companies, generating an estimated one-off saving of EUR 1.5 billion, and provides new compliance guidance through model contractual clauses for data access and use as well as for cloud service contracts. It also supports the development of European AI by unlocking access to new high-quality datasets, thereby enhancing the innovation potential of companies across the EU.

In addition, regarding the new EU Data Strategy, the following should be highlighted:

- **Expanding access to high-quality data.** The strategy boosts the availability of high-quality data essential for innovation and AI through the creation of data labs, the improvement of public datasets and the interconnection of European sectoral data spaces. It also reinforces the horizontal enablers of the data economy by expanding the high-value datasets covered by the Open Data Directive, making digitized cultural objects available for AI training, and promoting the use of synthetic data and the production of new datasets within the EU.
- **Regulatory simplification and streamlining.** It foresees the consolidation of various EU data rules into a single Data Regulation, together with the publication of model contractual clauses for data access and use and for cloud service contracts, as well as the establishment of a legal assistance service (help desk) to support companies. All these measures aim to reduce compliance costs, improve legal clarity and allow companies to allocate more resources to innovation.
- **Strengthening Europe's data sovereignty.** The framework introduces strategic measures to ensure that data flows to and from the EU take place under conditions of fairness, security and alignment with EU

values. These include guidelines on the fair treatment of European data in third countries, a toolbox to counter unjustified data localisation or data leakage, and safeguards for sensitive non-personal data in international contexts.

Finally, regarding the proposal for the European Business Wallet:

- **Unified digital tool.** Companies will be able to: i) digitally sign, seal and timestamp documents; ii) create, store and exchange verified documents securely; and iii) communicate electronically with other companies or public administrations in their own country and across the other Member States. This tool will facilitate processes such as expanding operations in other EU countries, paying taxes or interacting with public authorities, and, with broad adoption, could generate up to EUR 150 billion in annual savings for European companies by significantly reducing administrative processes and costs.

3. Next steps

- The proposal will now be submitted to the European Parliament (EP) and the Council.
- The EC has launched the second phase of the simplification programme through a broad consultation on the Digital Fitness Check open until **11 March 2026**, which will assess the coherence and cumulative impact of EU digital rules and may lead to further simplification and regulatory adjustments.

20/11/2025

S EC - Proposal to amend the SFDR framework



1. Context

The SFDR was adopted on 27 November 2019 and has been in force since 10 March 2021. This Regulation establishes a framework for reporting on how financial market participants integrate environmental, social and governance (ESG) risks and factors into their investment decisions and the products they offer, with the aim of increasing transparency, protecting end investors and reducing the risk of greenwashing. The experience of these first years of implementation has highlighted problems such as the use of certain provisions of the SFDR as product labels, the complexity and extent of disclosure obligations for retail investors, and practical doubts surrounding the definition and delimitation of sustainable investments, which has led the Commission to propose a review of the framework.

In this context, the EC has published a **proposal to amend the SFDR**, with the aim of simplifying and reorganising the sustainability disclosure framework for financial products through a new architecture of categories and disclosure requirements.

2. Main aspects

The main changes to the current regime include:

- **Refocusing of the SFDR and removal of certain obligations at entity level.** The proposal shifts the SFDR from a regime focused on different product blocks (products with basic integration of sustainability risks, products with environmental or social characteristics, and products with sustainable investment objectives) to a regime of explicit product categorisation, and removes disclosures of principal adverse impacts (PAIs) at entity level in order to simplify the framework, reduce the administrative burden and focus transparency on sustainability-related financial products.
- **New system of three sustainability product categories and a minimum threshold of 70%.** Three product categories are introduced: transition, ESG basics and sustainable, which in practice replace the current scheme based on the distinction between products with environmental or social characteristics and products with sustainable investment objectives. In each of the new categories, at least 70% of the portfolio must be aligned with the sustainability strategy declared for that category, and common and reinforced exclusions are introduced, including restrictions on fossil fuel-intensive activities.
- **Revision of definitions and deletion of the definition of sustainable investment.** The proposal removes the definition of sustainable investment from the SFDR and transfers its elements (contribution to environmental or social objectives, absence of significant harm and good governance) to specific investment requirements within the new product categories, in order to reduce divergences in the practical application of the current definition.
- **Specific regime for non-categorised products and products that invest in other products.** Differentiated treatment is established for products that do not fall under any of the new categories, limiting the way in which they can refer to sustainability in their documentation and communications, and regulating products that combine or invest in categorised products (e.g. funds of funds), specifying the conditions under which they may qualify for a category or, where applicable, the additional information they must provide on the composition of their portfolio.
- **Use of sustainability data and estimates.** The proposal introduces a framework to formalise and make more transparent the use of third-party data and internal estimates in the application of the SFDR, establishing principles on the documentation of methodologies and assumptions, as well as on the information that must be provided to investors regarding the data sources and assumptions used.
- **Simplification of disclosure requirements and adjustments to PRIIPs and ESAP.** Pre-contractual, periodic and website disclosures are reconfigured and simplified, linking them to the new product categories and reducing the volume of information required. At the same time, the Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPs) is adjusted to include a specific section on the degree of sustainability and the SFDR category of the product in the key information document, and the obligations to submit information to the European Single Access Point (ESAP) are adapted to the new disclosure structure.

3. Next steps

- This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union (OJEU).
- It shall apply 18 months after its entry into force.

01/12/2025



EC - Proposal for a Regulation amending the PEPP Regulation and a proposal for a Directive amending the IORP II Directive and the IDD



1. Context

In recent years, the EC has strengthened its agenda to promote long-term saving and improve pension adequacy in response to demographic ageing, pressure on public pension systems, and the need to channel more capital into long-term investments aligned with the Capital Markets Union (CMU) and the new Savings and Investments Union (SIU). Within this framework, i) the PEPP Regulation, in force since 2022, which defines the product's features, transparency and disclosure requirements, and participant protection criteria; and ii) the IORP II Directive, applicable since 2019, which sets out the governance, risk-management, investment and disclosure rules for IORPs are key regulatory instruments.

In this context, the EC has published a legislative reform package consisting of a **proposal for a Regulation amending the PEPP Regulation and a proposal for a Directive amending simultaneously IORP II and the IDD**. Both proposals aim to strengthen the design, governance, efficiency and performance of supplementary pension products, enhance transparency and supervisory standards, and facilitate greater scale and long-term investment capacity for the benefit of members.

2. Main aspects

Regarding the amendments to the PEPP Regulation, the main changes are as follows:

- **Removal of structural product obligations.** The proposal eliminates several requirements that had hindered the expansion of the PEPP, such as the obligation for providers to offer sub-accounts in different Member States or the requirement to offer a Basic PEPP, the default and simplest version of the product, in order to market alternative investment options. In addition, the 1% cost cap for the Basic PEPP is removed and replaced with a system focused on ensuring good value for money through clear criteria and enhanced supervisory oversight.
- **New mandatory investment approach for the Basic PEPP.** The Basic PEPP must be structured using a life-cycle investment strategy, adjusting risk exposure according to the saver's age. At least 95% of the portfolio (excluding cash) must be invested in simple and tradable financial instruments, with up to 5% permitted in alternative assets.
- **Strengthening of the prudent person principle and integration of ESG factors.** The reform allows greater flexibility in portfolio construction and requires providers to explain how they integrate environmental, social and governance (ESG) risks. It also replaces previous rules with a reinforced prudent person principle, meaning that investments must be managed responsibly and in a balanced manner, prioritising the saver's interests, properly assessing risks, and ensuring that investment decisions align with the product's long-term objectives.
- **Improved transparency.** The reform requires clearer and more comprehensive information for savers. Providers must disclose the product's total cost in both euros and percentage terms, explain how these costs affect final returns, and offer simple comparisons between the available investment options. A direct link to EIOPA's public register must also be included. Information requirements are also strengthened throughout the entire lifetime of the product.
- **Integration into auto-enrolment systems and employer contributions.** The proposal allows Member States to use the PEPP within automatic enrolment systems for workplace pension schemes. It also enables employers to make contributions to their employees' PEPPs without additional restrictions. Workers will always retain the right to opt out if they do not wish to participate.

Regarding the amendments to the IORP II Directive and the IDD, the main changes include:

- **Expansion and harmonisation of the authorisation, governance and supervision regime.** The proposal replaces the dual system of registration or authorisation with a single authorisation regime, granting automatic recognition to entities already authorised. Requirements related to business plans, internal controls, key functions and risk management rules are strengthened.
- **Enhanced transparency rules on costs, returns and risks.** Member States must publish on a single national public platform information on total costs, historical returns (minimum of 10 years) and the risk profiles of pension schemes, promoting comparability and market discipline.
- **New information and investor-protection obligations.** Rules on the pension benefit statement are revised, an explicit obligation to act in the best interest of the member is introduced, and harmonised procedures are established for handling complaints and for alternative dispute resolution, including in cross-border situations.

- **Introduction of stress-testing requirements for certain IORPs.** IORPs that assume biometric risks or provide guarantees must conduct stress tests every three years, using standard scenarios and allowing for additional tests where supervisors identify vulnerabilities.
- **Amendments to the IDD.** It is ensured that beneficiaries of pension schemes managed by insurance undertakings receive information equivalent to that provided under the IORP framework, and that insurers and intermediaries have a legal basis to share information with national pension tracking systems.

3. Next steps

- Public consultations on both legislative proposals are currently open until **28 January 2026**.
- The reform of the PEPP Regulation will directly apply one year after its entry into force. For the amended Directive, Member States will be required to transpose the changes within 12 months of its entry into force.

04/12/2025

P EC - Package of measures to fully integrate EU financial markets



1. Context

Since 2023, the EC has intensified its efforts to strengthen the European Union (EU) economic resilience and global competitiveness by advancing the creation of a fully integrated single market for financial services. Central to this mandate is the Competitiveness Compass, which sets out how to boost growth, innovation and strategic resilience across the EU. A key enabler of this agenda is the Savings and Investments Union (SIU) Strategy, designed to unlock the full potential of EU capital markets for citizens and businesses. The European Council has repeatedly stressed the need to build unified and robust European capital markets that are accessible to all Member States. In March 2025, the Council called on the EC to advance work on capital market oversight and address longstanding fragmentation issues. Subsequently, in September 2025, the European Parliament (EP) endorsed the EC's plans to introduce new legislation aimed at improving trading and post-trading systems, removing cross-border barriers, and updating the regulatory framework for emerging technologies.

In this context, the EC has launched a **major package to fully integrate EU financial markets**, which aims to create a more integrated, efficient, and competitive financial system that offers EU citizens better options for growing their wealth and makes it easier for businesses to access financing.

2. Main aspects

The package proposes the following measures:

- **Removing obstacles to market integration and leveraging scale.** The package introduces measures to eliminate barriers that currently fragment EU financial markets, particularly in trading, post-trading, and asset management. Key initiatives include expanding passporting opportunities for Regulated Markets and Central Securities Depositories (CSDs), creating a new Pan-European Market Operator (PEMO) status to streamline corporate structures and licensing, and simplifying the cross-border distribution framework for investment funds, including Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs). These steps aim to reduce cost differentials between domestic and cross-border transactions and facilitate smoother operations across Member States.
- **Facilitating innovation.** To foster technological progress, the EC proposes removing regulatory obstacles that hinder the adoption of distributed ledger technology (DLT). The package amends the DLT Pilot Regulation to relax existing limits, enhance proportionality and flexibility, and increase legal certainty for market participants. This seeks to encourage broader use of DLT-based solutions in financial services, supporting innovation and efficiency gains in trading and settlement processes.
- **Streamlining and enhancing supervision.** The measures address supervisory fragmentation by strengthening the European Securities and Markets Authority's (ESMA) role and expanding its direct oversight over significant market infrastructures. This includes transferring supervisory competences for certain trading venues, Central Counterparties (CCPs), CSDs, and all Crypto-Asset Service Providers (CASPs) to the ESMA. The reform also enhances ESMA's coordination role in the asset management sector to ensure more consistent supervisory practices, reduce national divergences, and better respond to emerging risks.
- **Simplification and burden reduction.** In line with previous steps under the SIU framework, the package seeks to simplify the regulatory environment by converting selected directives into regulations, reducing national options and discretions, and streamlining Level 2 empowerments. These changes aim to ensure greater harmonisation, limit gold-plating at national level, and reduce compliance burdens for financial entities operating across borders.

3. Next steps

- The package must now be negotiated and approved by the EP & Council.

10/12/2025

S EC - Environmental Omnibus package



1. Context

The EC has intensified its efforts in recent years to simplify the European Union's (EU) environmental legislation, with the aim of strengthening competitiveness and reducing the administrative burden faced by companies. This simplification agenda, part of the political commitment to achieve a 25% reduction in administrative burdens, and 35% in the case of small and medium-sized enterprises (SMEs) by 2029, responds to evidence that regulatory complexity can hinder both economic activity and the green transition. According to the 2024 Eurobarometer, based on a series of surveys carried out by the EC, the complexity of legislation, particularly regarding resource efficiency, renewable energy and other environmental requirements, is slowing down the green transition in SMEs. The study highlights that both SMEs and large companies perceive complex environmental reporting obligations, as well as excessively intricate administrative and legal procedures, as significant barriers.

In this context, the EC has published the **environmental Omnibus package**, the eighth proposal in the omnibus cycle, the eighth proposal in the omnibus package cycle. The package includes specific amendments to several key pieces of EU environmental legislation, including: i) the Environmental Impact Assessment (EIA) Directive; ii) the Industrial Emissions Directive (IED); iii) the Waste Framework Directive; iv) the various frameworks regulating Extended Producer Responsibility (EPR) and the Directive on Spatial Information Infrastructure in Europe (INSPIRE). The document aimed at reducing administrative burdens for businesses without compromising the EU's ambitious objectives on environmental and human health protection. The initiative also seeks to accelerate and streamline permitting procedures for all types of projects, with a particular focus on strategic sectors, to facilitate the transition towards a cleaner and more digital European economy.

2. Main aspects

The package proposes the following measures:

- **Simplification of environmental assessments for permitting.** The proposal introduces simpler and faster procedures for project developers, including single points of contact, increased digitalisation and accelerated timelines. It also provides an additional toolbox of fast-tracking measures specifically targeted at strategic sectors and projects that contribute to decarbonisation or resource efficiency, including affordable housing.
- **Greater flexibility in industrial emissions standards for industry and agriculture.** Companies will benefit from more flexibility under the IED in implementing Environmental Management Systems (EMS). The requirement to include transformation plans will be removed, operators will have more time to prepare their EMS, and the obligation to undergo independent audits will be eliminated. In addition, farmers and aquaculture operators will be exempted from certain reporting obligations, and the scope and requirements for organic farms will be simplified, reducing duplications.
- **Replacement of the SCIP database.** Given that the cost of the Substances of Concern in Products (SCIP) database was considered disproportionate, its functions will be replaced by more effective digital solutions, such as the Digital Product Passport and the implementation of the one substance one assessment package. For this reason, the EC proposes amending the Waste Framework Directive to repeal the SCIP database, thereby reducing administrative burdens for companies.
- **Simplification of EPR schemes.** Currently, legislation on batteries, packaging, electrical and electronic equipment, single-use plastics and waste requires EU-based companies to appoint an authorised representative in each Member State where they place products on the market without being established. This obligation will be suspended for European producers while the review of EPR schemes under the Circular Economy Regulation is ongoing, reducing operational costs and administrative complexity.
- **Improved access to and lower compliance costs for geospatial data.** The current technical requirements of the INSPIRE Directive will be fully aligned with the horizontal legislation governing high-value public-sector geospatial data. This simplification will reduce compliance costs for public authorities and facilitate access to high-value geospatial data sets for both public and private users.

3. Next steps

- The package must now be negotiated and approved by the European Parliament (EP) and Council.

17/12/2025

T EC - First draft of the code of practice on the transparency of AI-generated content



1. Context

The European Union (EU) has progressively strengthened the regulatory framework applicable to AI systems with the aim of ensuring the safe, transparent and trustworthy use of these technologies. For that reason, the AI Act establishes, in Article 50, specific transparency obligations for certain AI systems, in particular those capable of generating or manipulating content such as text, images, audio or video. These obligations aim to ensure that users can identify when content has been generated or altered by AI, thereby mitigating risks related to disinformation and the manipulation of public discourse.

In this context, the EC, through the AI Office, has published the **first draft of the code of practice on the transparency of AI-generated content**, provided by the EC and prepared by independent experts within the framework of specific working groups. The draft aims to support the implementation of the transparency obligations set out in Article 50 of the AI Regulation, in particular those provided for in paragraphs 2 and 4, as well as the cross-cutting elements set out in paragraph 5, and to move towards a common and harmonized approach to the identification of this type of content.

2. Main aspects

The content of the Code is divided into two sections, each setting out a series of commitments. Section 1 addresses the rules on marking and detectability of AI-generated or manipulated content applicable to providers of generative AI systems:

- **Commitment 1. Multi-layered marking of AI-generated or manipulated content.** Providers of generative AI systems commit to applying a multi-layered, machine-readable marking approach to AI-generated or manipulated content, in a proportionate manner and in line with the state of the art, in order to comply with the transparency obligations set out in Article 50(2) of the AI Act. This approach may combine different marking techniques across the value chain and ensure the preservation and traceability of the content's origin.
- **Commitment 2. Detectability of AI-generated or manipulated content.** Providers of generative AI systems and models commit to ensuring that AI-generated or manipulated content is detectable as such, by making detection mechanisms available to users and third parties. This includes the provision of verification tools, the use of complementary detection mechanisms where marking alone is insufficient, and the communication of results in a clear and accessible manner, applying a proportionate approach.
- **Commitment 3. Measures to meet the requirements applicable to marking and detection techniques.** Providers of generative AI systems and models commit to ensuring that marking and detection techniques are effective, reliable, robust and interoperable, in line with the state of the art and applied proportionately. These requirements must be met prior to placing systems on the market or putting them into service and maintained throughout their entire lifecycle, promoting the use of common standards and the continuous improvement of technical solutions.
- **Commitment 4. Testing, verification and compliance.** Providers of generative AI systems and models commit to establishing and maintaining testing, verification and compliance frameworks to demonstrate compliance with the obligations set out in Article 50 of the AI Act and the commitments of the Code. This framework must be applied prior to commercialisation and throughout the entire lifecycle of the systems, including real-world testing, appropriate documentation, staff training and cooperation with competent authorities, in a proportionate manner.

Section 2 addresses the rules on the labelling of deepfakes and AI-generated or manipulated text applicable to deployers of AI systems:

- **Commitment 1. Disclosure of the origin of AI-generated or manipulated content through a common taxonomy and icon.** Deployers of AI systems that generate deepfakes or AI-generated or manipulated text commit to consistently disclosing the artificial origin of such content, using a common taxonomy to classify the degree of AI intervention and a common, visible icon as a labelling mechanism. This approach aims to ensure a harmonised and understandable identification of content subject to the disclosure obligations set out in Article 50(4) of the AI Act.
- **Commitment 2. Compliance, training and monitoring.** Deployers of AI systems commit to establishing and maintaining internal compliance and monitoring mechanisms to ensure the correct application of the labelling obligations under Article 50(4) of the AI Act. This includes the preparation of compliance documentation, training of staff involved in the creation and dissemination of content, cooperation with competent authorities and third parties, and the timely correction of any instances of non-compliance, in a proportionate manner.
- **Commitment 3. Ensuring accessible disclosure for all persons.** Deployers of AI systems commit to ensuring that the icons and labels used to disclose the origin of AI-generated or manipulated content are

accessible to all persons, in accordance with the applicable accessibility requirements in the EU. This includes the adoption of technical and organisational measures enabling access to information through different modalities, applying recognised accessibility standards where appropriate.

- **Commitment 4. Specific measures for deepfake disclosure.** Deployers of AI systems commit to correctly classifying content that constitutes deepfakes and to ensuring clear, distinguishable and timely disclosure of their artificial origin, in compliance with Articles 50(4) and 50(5) of the AI Act. This includes the implementation of coherent internal processes with human oversight, and the application of disclosure mechanisms appropriate to the format and context of the content, while preserving, where applicable, the artistic, creative, satirical or fictional nature of works.
- **Commitment 5. Specific measures for the disclosure of AI-generated or manipulated text.** Deployers of AI systems commit to identifying and clearly disclosing AI-generated or manipulated text published on matters of public interest where no human review or editorial responsibility exists, in compliance with Articles 50(4) and 50(5) of the AI Act. This includes the establishment of internal processes with human oversight and, where the editorial control exemption is invoked, the adoption of minimum procedures and documentation to demonstrate human review and the assumption of editorial responsibility.

3. Next steps

- The EC will collect feedback on the first draft from participants and observers until **23 January 2026**. The second draft will be drawn up by **mid-March 2026**, with the Code expected to be finalised by June.
- The rules covering the transparency of AI-generated content will become applicable on **2 August 2026**.

18/11/2025

E ECB - Supervisory priorities 2026-2028**1. Context**

Annually, the ECB updates the SSM priorities, following the exhaustive review of the main risks and vulnerabilities for the supervised entities and of the outcome of the Supervisory Review and Evaluation Process (SREP), and the progress compared with the priorities of previous years.

In this context, the ECB has published the **SSM supervisory priorities 2026-2028** and its **assessment of risks and vulnerabilities**. The supervisory priorities promote effectiveness and consistency in the planning work of the Joint Supervisory Teams (JST) and support the efficient allocation of resources, in line with the corresponding risk tolerance levels. They also help national supervisors to set their own priorities for the supervision of less significant institutions in a proportionate manner.

2. Main aspects

The key aspects of the revised priorities are summarised below:

- **Priority 1. Strengthening banks' resilience to geopolitical risks and macro-financial uncertainties.**
The ECB underscores that banks must reinforce their ability to withstand an increasingly uncertain operating environment marked by heightened geopolitical tensions, trade fragmentation, climate and nature-related risks, demographic shifts and rapid technological change. While banks currently exhibit solid fundamentals, these structural forces increase the likelihood of severe tail-risk scenarios and require continued vigilance and forward-looking risk management.

Key vulnerabilities identified include:

- Ensuring prudent risk-taking and sound lending standards: Banks are expected to maintain sound lending practices and risk-based pricing to prevent asset quality deterioration and the accumulation of non-performing loans (NPLs).
- Ensure adequate capitalisation and consistent application of the Capital Requirements Regulation (CRR) III: Institutions should prepare to correctly apply the new standardised approaches to ensure sufficient capital levels under stress conditions.
- Ensure effective management of climate and nature-related risks: Banks should strengthen their capacity to assess and manage risks arising from climate and natural events in the short, medium and long term, addressing persistent weaknesses in their management frameworks.

- **Priority 2. Strengthening banks' operational resilience and fostering robust information and communication technology (ICT) capabilities.**

The ECB highlights the need for banks to address long-standing deficiencies in their operational resilience and ICT risk-management frameworks. This priority supports the broader supervisory shift from identifying risks to ensuring that banks remediate material shortcomings in a timely and effective manner.

Key vulnerabilities identified include:

- Implement robust and resilient operational risk management frameworks: Banks are expected to reinforce their operational risk frameworks, including incident response, business continuity planning, management of third-party dependencies and cyber-security resilience. Ensuring compliance with the Digital Operational Resilience Act (DORA) is a key element of this expectation.
- Remedy deficiencies in risk reporting capabilities and related information systems: Institutions must remedy gaps in data governance, fragmented IT infrastructures, insufficient data-quality controls and delays in risk reporting, all of which hinder effective risk identification and decision-making.

- **Medium- and long-term priority: Digital strategies (and those related to artificial intelligence – AI), as well as their governance and risk management.**

In addition to the two core supervisory priorities, the ECB identifies a medium- to long-term focus on banks' digital transformation, especially regarding the adoption and governance of advanced technologies such as AI and cloud services. As digitalisation accelerates across the banking sector, institutions must ensure that strategic initiatives are supported by sound governance, robust risk controls and appropriate oversight frameworks.

Key vulnerabilities identified include:

- Overcoming fragmentation or insufficient definition of digital strategies: some banks may lack fully articulated transformation plans and governance structures capable of supporting the scale and complexity of digital and AI-based initiatives.
- Strengthen governance and oversight of emerging technologies: institutions must strengthen their ability to monitor, assess and manage the prudential implications of adopting AI, using cloud services and other advanced technologies, ensuring their alignment with business models and risk profiles.

20/11/2025

E ECB - Aggregated results of the 2025 SREP**1. Context**

The Supervisory Review and Evaluation Process (SREP) is an essential exercise in which European banking supervisors evaluate the risks faced by banks and how effectively these risks are being managed. Based on these SREP results, the ECB sets capital requirements and imposes qualitative measures to ensure that every bank addresses the identified shortcomings.

In this context, the ECB has published the **outcome of the 2025 SREP**, which reflects the resilience of Europe's banking sector amid continuing vulnerabilities. The findings of the annual assessment indicate that the European Union (EU) banking sector remains well-capitalized and liquid, and continues to generate robust profitability. Overall capital requirements and guidance applicable for 2026 decreased slightly to 15.6% of risk-weighted assets, reflecting stable risk profiles and improved scores in several areas. However, the assessment also identifies persistent vulnerabilities, including in credit, operational and governance risks, as well as elevated external uncertainties.

2. Main aspects

The results are as follows for each of the fundamental elements:

- **Business model.** Euro area bank profitability continued to rise in 2024 and into the first half of 2025, reaching new highs despite the gradual slowing of net interest income (NII) growth as monetary policy normalized. Higher core revenues, supported by stronger fee and commission income and robust trading results, lifted aggregate return on equity to 9.5% in 2024 and above 10% in mid-2025, while return on assets increased to 0.7% in 2024 and remained around that level in mid-2025. Expenses grew broadly in line with inflation, allowing cost efficiency to improve further. Strategic improvements, stronger revenue generation and better cost management drove 18% of business model SREP scores upward in the 2025 cycle, outweighing the 4% that deteriorated. Despite high profitability, supervisors remained cautious about the sustainability of business models amid slowing NII, increasing reliance on concentrated or volatile income sources, and elevated macroeconomic and geopolitical uncertainty.
- **Internal governance and risk management.** Strong internal governance and robust risk management remain a central supervisory concern, particularly against a backdrop of heightened geopolitical and macro-financial risks. The 2025 SREP again highlights the importance of strong governance and effective risk controls, with several weaknesses still present across institutions. Progress on Risk Data Aggregation and Risk Reporting (RDARR) remains slow owing to fragmented IT systems and limited prioritization by management bodies. Supervisors also noted shortcomings in board composition and risk culture, including insufficient specialized expertise and weak challenge capacity. In addition, internal control functions continue to face resource and capability gaps, constraining their effectiveness. While overall governance scores showed modest improvement, these persistent issues underline the need for further structural enhancements.
- **Credit risk.** Credit risk developments in 2025 showed a mix of resilience and emerging pressures. Progress in reducing legacy non-performing loans (NPLs) in several jurisdictions and continued household strength supported by favorable labor market conditions and rising incomes helped to stabilize retail portfolios. However, risks persisted in more vulnerable segments. Commercial real estate exposures, particularly in Germany, Austria, Luxembourg and Estonia, continued to deteriorate owing to structural shifts in office demand, environmental considerations and downward price adjustments. At the same time, small and medium-sized enterprises (SMEs) portfolios faced increased strain amid higher operating costs, sector-specific pressures and ongoing geopolitical uncertainty. Overall, 25% of credit risk scores changed, with upgrades outweighing downgrades, although the average score improved only marginally. As in previous cycles, these findings underscore continued supervisory concerns around banks' credit risk management frameworks, which remain a core priority for ECB Banking Supervision.
- **Capital adequacy.** Capital adequacy scores remained broadly stable in the 2025 SREP cycle, with around 70% of banks retaining their previous scores, 20% recording improvements and 10% experiencing deteriorations. Supervisors emphasized the importance of prudent and forward-looking capital planning, particularly in light of geopolitical and macroeconomic uncertainties, and highlighted the need for reliable and timely capital projections. The integration of ICAAP as a risk control element under the capital adequacy assessment did not alter the overall scoring approach, but reinforced supervisory scrutiny of banks' capital planning frameworks, including their scenario design, stress testing practices and the link between ICAAP and recovery planning. As of Q2 2025, all banks met their capital requirements, buffers and guidance, with CET1 headroom remaining adequate across the system.
- **Operational and information and communication technology risk.** Operational and Information and Communication technology (ICT) risk remained the weakest-scoring SREP category in 2025, driven largely by persistent deficiencies in ICT governance, risk management and security. Increasing digitalization, heavier reliance on outsourcing and the introduction of the new Digital Operational Resilience Act (DORA) framework continued to challenge banks' operational resilience, while stricter third-

party oversight requirements heightened supervisory expectations. ICT-related weaknesses were the main contributors to poor scores, with notable concerns for institutions relying extensively on foreign service providers. Targeted reviews of outsourcing and cyber resilience identified recurring gaps in outsourcing governance, exit strategies and business continuity arrangements. As the ECB adjusts its supervisory toolkit to fully implement DORA, supervisory efforts remain focused on strengthening ICT risk controls, enhancing operational resilience frameworks and ensuring banks can effectively manage and monitor critical outsourced services.

- **Climate and environmental (C&E) risks.** C&E Risks remained a key supervisory priority in 2025, with ECB Banking Supervision continuing to intensify its efforts to ensure banks effectively identify, assess and manage these risks. Building on the milestones set since 2022, supervisors reviewed banks' progress in integrating C&E risks into governance, strategy and risk management frameworks, including ICAAP and stress testing.

21/11/2025

CL ECB - SREP 2025 methodology update**1. Context**

The SREP process constitutes the main prudential supervisory framework under the Single Supervisory Mechanism (SSM) for assessing, on a continuous and structured basis through annual cycles, the situation and risk profile of supervised entities. The methodology underpinning this process is published and periodically updated by the ECB, to reflect current supervisory priorities and the adjustments deemed necessary in the practical application of the SREP, thereby strengthening the resilience and financial stability of supervised institutions.

In this context, the ECB has **updated the SREP methodology**, introducing a new decision format and a clearer, more priority-driven and efficient framework with the aim of simplifying and sharpening the supervisory process.

2. Main aspects

The document includes the following changes from the 2024 version:

- **General framework.** The general framework of the SREP remains the same as in 2024, retaining the integrated assessment of the four elements of the process: i) business model; ii) internal governance and risk management; iii) risks to capital; and iv) risks to liquidity and funding. However, in 2025 a more efficient and focused approach is introduced, highlighting the adoption of more concise SREP decisions focused only on the main supervisory concerns and the elimination of executive letters, together with greater use of the risk tolerance framework (RTF) and the multi-year approach (MYA) to modulate the intensity of the SREP according to the risk profile of each institution.
- **Business model.** The business model assessment retains the same components and objectives as in 2024, but the novelty of 2025 lies in the expanded application of the MYA, which allows for a reduction in the depth of analysis when the institution's profile remains stable, aligning the intensity of the assessment with the supervisory priorities identified through the RTF and reinforcing consistency through greater use of supervisory indicators and analysis.
- **Internal governance and risk management.** The content and areas covered in governance and risks remain unchanged from 2024, but in 2025 a significant change is introduced with the new tiered approach to findings: low-severity findings (F1/F2) will now be managed through compliance reminders without the need for formal closure except for sampling, while higher-severity findings (F3/F4) will continue to be monitored intensively, thus modifying the prioritization and monitoring of internal control, data, and operational risk deficiencies.
- **Capital risks.** The analysis of capital risks remains structurally the same as in 2024, but the 2025 update incorporates a preparatory phase for the new Pillar 2 (P2R) methodology, which will begin to be applied in the 2026 cycle, so that in 2025 the assessment begins to align with the future P2R framework without yet modifying the quantification, also integrating the RTF and MYA to adjust the intensity of the analysis according to the risk profile.
- **Liquidity risks.** The treatment of liquidity risk maintains its 2024 structure and criteria, although in 2025 greater modulation of supervisory intensity is introduced through the RTF and MYA—allowing for less intensive assessments in institutions with stable liquidity profiles—and the use of analytical tools to assess funding stability and liquidity vulnerabilities is reinforced, with no structural changes to the technical content of the assessment.

11/12/2025

CL

ECB - Recommendations on simplification of the prudential, supervisory and reporting framework**1. Context**

In recent years, the European prudential framework governing banks in terms of regulation, supervision and reporting has become increasingly complex, with multiple layers of capital requirements, macroprudential tools, highly detailed supervisory processes and extensive reporting obligations. This accumulation of rules and processes can hamper the competitiveness of euro area banks, increase their administrative burden and hinder their ability to channel financing to the real economy, while maintaining resilience, prudential effectiveness, European harmonisation and the full implementation of Basel III standards. Therefore, in March 2025, the Governing Council of the ECB established the HLTF to identify unjustified complexities in this framework and propose solutions.

In December 2025, the ECB endorsed the HLTF report, which includes **17 recommendations to simplify the regulatory, supervisory and reporting framework** for European banks, with the aim of reducing complexity and administrative burdens without diminishing the resilience of the system or the ability of authorities to meet their microprudential, macroprudential and resolution objectives.

2. Main aspects**Proposals to simplify the regulatory framework (Recommendations 1–9):**

- **Recommendation 1. Simplification of capital stacks and leverage ratio.** It is proposed to reduce the number of elements that make up the risk-weighted capital buffers and the leverage ratio framework, bringing them closer to the structure envisaged by Basel. To this end, it is envisaged to merge the various buffers into two large blocks (releasable and non-releasable) and to streamline the leverage ratio framework towards a minimum requirement and a single buffer, keeping the Pillar 2 guidance separate, with the aim of making the capital framework more transparent and predictable for banks and investors.
- **Recommendation 2. Improving the quality of capital in a going concern situation.** The role of Additional Tier 1 (AT1) and Tier 2 capital instruments in the continuity stack is examined, as their loss absorption capacity is considered unclear. Two alternatives are assessed: strengthening the characteristics of these instruments to better ensure their loss-absorbing capacity in going concern or removing them from the going concern stack and replacing them wholly or partially with Common Equity Tier 1 (CET1) capital, carefully assessing the impact on resilience, Basel compliance and capital neutrality.
- **Recommendation 3. Prudent expansion of the simplified regime.** We advocate broadening and deepening the regime for small and non-complex institutions (SNCIs), increasing the size threshold, extending the scope of the simplified rules and harmonising supervisory requirements (e.g. in internal governance, stress testing, recovery plans or risk functions), taking as a reference the simplified regimes in the United Kingdom, Switzerland and the United States and calibrating the new regime prudently to maintain adequate risk coverage.
- **Recommendation 4. Automatic reciprocity measures up to a certain threshold, combined with a more standardised application of macroprudential tools.** To this end, it is planned to rely on common reporting (COREP) and financial reporting (FINREP) templates and regular communications from the European Systemic Risk Board (ESRB) in order to reduce complexity for authorities and banks and avoid lengthy and fragmented reciprocity processes.
- **Recommendation 5. Alignment of MREL and TLAC frameworks.** It is suggested that the total loss-absorbing capacity (TLAC) and minimum requirements for own funds and eligible liabilities (MREL) frameworks be brought closer together, reducing the number of stacks and maintaining the current level of gone-concern resources. As an example, it is mentioned that MREL should be articulated through a uniform floor calibrated to the TLAC level, plus a specific component set by the resolution authority, so as to reduce complexity and limit problematic interactions with the continuity framework.
- **Recommendation 6. Increased use of regulations versus directives and streamlining of Level 2 and 3 acts.** It is advocated to reorient European Union (EU) prudential law towards greater use of (directly applicable) regulations. A comprehensive review of Level 2 and 3 acts and their application could reduce their prescriptiveness and increase supervisory discretion.
- **Recommendation 7. Simplification of the EU-wide stress test methodology.** The reform should have a clear and agreed direction in terms of objectives, general approach and use of results. The changes should take into account various issues, such as risks identified by the stress test, the scenario, the methodology or the granularity of the data and its alignment with existing reports.
- **Recommendation 8. EC Governing Council responsible for adopting a holistic view of the overall level of capital in the banking union.** It is proposed that the Governing Council of the ECB, supported by the Macroprudential Forum, adopt a qualitative view of the aggregate level of capital requirements and

buffers in the banking sector of the Single Supervisory Mechanism (SSM), in order to identify unjustified overlaps and heterogeneities between countries, without altering current mandates or national competences.

- **Recommendation 9. Finalisation of the savings and investment union, including completion of the banking union, to reduce national fragmentation and allow for more efficient capital markets.** This includes taking concrete steps towards the finalisation of European deposit insurance scheme (EDIS), with a clear timetable for implementation, and fostering deeper capital markets by progressing on the savings and investment union. To lay the foundations for increasing cross-border banking, the completion of banking union should facilitate other measures that support integrated and efficient risk management at consolidated level. This will enable capital and liquidity to flow within banking groups in the banking union.

Proposals to simplify the supervisory framework (Recommendations 10–11):

- **Recommendation 10. Strengthening and completing the Single Rulebook to simplify and harmonise supervisory practices and help deepen the internal market in banking.** This should reduce the complexity arising from diverging national powers, implement International Monetary Fund recommendations, and involve a structured review of options and discretions in the Capital Requirements Regulation, the Capital Requirements Directive, the Bank Recovery and Resolution Directive and associated level 2 or 3 legislation, also considering whether certain provisions currently set in directives could be established in directly applicable regulation.
- **Recommendation 11. Reconsidering the level of prescriptiveness of legislation governing supervisory processes to identify areas where more risk-based approaches can be implemented.** This includes reviewing mandatory activities and frequencies (e.g. internal models every three years under Article 101(1) of the CRD and similar provisions for market risk under Article 325c of the CRR), allowing greater flexibility to determine minimum stress testing frequencies in line with banks' risk profiles, and reviewing binding supervisory approval processes, replacing entity-specific approvals with a simpler non-objection requirement where relevant (for example, under Article 11 of European Market Infrastructure Regulation (EMIR) after validation by the European Banking Authority (EBA)), while reiterating banks remain responsible and accountable for ensuring their resilience, governance and risk management.

Proposals to simplify the reporting framework (Recommendations 12–17):

- **Recommendation 12. Stepping up coordination and data sharing among key stakeholders to avoid redundancy in data requests.** It is recommended that coordination and data sharing between the ECB, the European Supervisory Authorities (ESAs), the Single Resolution Board (SRB), the national competent authorities (NCAs) and the national central banks (NCBs), supported by the Joint Banking Reporting Committee (JBRC) and the Regulation on Better Data Exchange, in order to minimise duplicate requests and ensure that new data collections respond to clearly justified needs.
- **Recommendation 13. Promoting an integrated reporting system with a single granular data set.** It promotes progress towards an integrated reporting system in Europe, in which a single granular data set serves statistical, prudential and resolution purposes, based on a common data model and data dictionary managed within the JBRC and supported by ongoing reporting integration initiatives.
- **Recommendation 14. Defining materiality thresholds and supervisory tolerance margins for minor errors.** It introduces the idea of establishing supervisory tolerance margins for minor errors, so that banks are not required to resubmit reports when corrections are immaterial. These thresholds, developed by the ECB and the EBA, are linked to the principles of relevance, simplicity and proportionality, reducing administrative costs without impairing data quality.
- **Recommendation 15. Publishing a public inventory of non-market-sensitive reporting requirements.** It proposes publishing an inventory of non-market-sensitive information requirements imposed on banks, including ad hoc requests, making use of tools such as the SSM data collection database, to facilitate the identification of overlaps, enhance transparency and support the construction of a more integrated reporting framework.
- **Recommendation 16. Introducing periodic reviews to remove redundant or obsolete reporting obligations.** It envisages introducing explicit obligations for authorities to periodically review (for example, every three to five years) the validity and relevance of reporting requirements, using objective criteria to assess the need to maintain them, coordinating the process through the JBRC and withdrawing redundant or obsolete obligations.
- **Recommendation 17. Reforming Pillar 3 public disclosure to eliminate the double transmission of data.** It foresees aligning reporting and public disclosure frameworks more closely by eliminating the double transmission of supervisory and Pillar 3 data. It also envisages extending the EBA's mandate to derive Pillar 3 data directly from supervisory reporting through the Pillar 3 Data Hub for all institutions and reviewing the usefulness of certain very detailed disclosure requirements, especially for smaller banks.

3. Next steps

- The operationalisation, impact assessments and effective implementation of the recommendations should be developed in close cooperation with the relevant EU authorities, taking into account the impact on Member States not participating in the SSM.
- Under the direction of the EC, recommendations to simplify the regulatory and supervisory framework may be further developed by the ESCB, the SRB, the ESRB and the EBA, with continued support from the ECB.
- In the area of reporting, the operationalisation of the recommendations should be carried out in close cooperation between the ESAs, the SRB, the NCAs, the NCBs and the ECB, building on ongoing initiatives and projects at the EBA, the ECB and the JBRC.

12/12/2025

CL ECB - Announcement of a geopolitical risk reverse stress test in 2026**1. Context**

Geopolitical risk is a cross-cutting risk driver that can have an impact on banks' traditional risk categories, as it cuts across credit, market, liquidity, business model, governance and operational risks. It can also affect banks through multiple channels, including financial markets, the real economy and the safety and security of banks' operations. As a key driver of macroeconomic uncertainty, it remains at the centre of the ECB's supervisory priorities for 2026-28.

In this context, the ECB has **announced that in 2026 it will conduct a reverse stress test on geopolitical risk** for 110 directly supervised banks, with the aim of assessing the extent to which their stress testing capabilities incorporate geopolitical risks and strengthening their risk management capabilities, particularly in reverse stress testing, as well as their ability to design prudent capital and recovery plans.

2. Main aspects

- **Scope of the exercise.** The exercise will apply to 110 banks directly supervised by the ECB. Some significant institutions may be excluded in specific cases (e.g. because they are covered at a higher level of consolidation, because they are participating in other simultaneous exercises or because they are undergoing merger or restructuring processes).
- **Reverse stress testing approach.** The exercise adopts a reverse stress testing approach, in which a predetermined supervisory outcome is set and each institution must construct the geopolitical scenario in which this outcome materialises. In particular, banks must identify geopolitical events capable of generating a reduction of at least 300 basis points in Common Equity Tier 1 (CET1) capital, thus differing from previous exercises based on common scenarios, such as the European Banking Authority (EBA) stress test of 2025.
- **Assessment of internal risk management capabilities.** Beyond the quantitative impact, the exercise will allow the supervisor to assess the extent to which institutions integrate geopolitical risk into their internal management frameworks. In this regard, the exercise will analyse banks' ability to identify risks relevant to their business model, translate them into plausible scenarios, articulate mitigation actions and adequately reflect these elements in their governance, operational resilience and stress testing frameworks, with a particular focus on reverse stress testing.
- **Integration into ICAAP and supervisory use.** To ensure the efficiency of the exercise, the test will be integrated into the 2026 internal capital adequacy assessment process (ICAAP), allowing the use of existing supervisory templates. In line with previous thematic exercises under Article 100 of the Capital Requirements Directive (CRD), the result will not have direct quantitative implications for Pillar 2 guidance, but will be used qualitatively to complement the supervisory review and evaluation process (SREP), particularly with regard to the materiality of geopolitical risk, stress testing frameworks, and data aggregation and reporting capabilities.

3. Next steps

- Aggregate results will be communicated in **summer 2026** and will be used to assess banks' ability to manage geopolitical risks within their capital assessment and recovery planning processes.

31/10/2025

T EDPS - Guidelines on generative AI



1. Context

In 2024, the EDPS published its first guidelines on generative AI, as a preliminary step towards developing more comprehensive and structured guidance for European Union institutions, bodies, and agencies (EUIs). Those initial guidelines sought to provide a practical interpretation of the principles of Regulation 2018/1725, which establishes the rules applicable to the processing of personal data by EUIs, at a time when generative AI was beginning to be used by EUIs without a specific reference framework. These initial guidelines were conceived as a living document, intended to evolve as technology and supervisory practices advanced.

In this context, the EDPS has published **Guidelines to ensure data protection compliance when using generative AI systems**, with the aim of providing European institutions with updated guidelines on how to ensure compliance with Regulation 2018/1725 in the use, development, and deployment of generative AI systems, reinforcing the application of data protection principles in the face of rapid technological developments.

2. Main aspects

The Guidelines contain the following main changes compared to those of 2024:

- **Scope and technical terminology.** The 2025 version broadens the scope of the guidelines and provides a more structured description of generative AI systems. It incorporates the distinction between models (algorithmic structures trained to generate content) and AI systems (functional sets that integrate models together with interfaces, databases, and human control mechanisms). References to new training techniques such as Reinforcement Learning with AI Feedback (RLAIF) are also added, and the entire life cycle of generative AI is included in a graphic diagram.
- **Roles and responsibilities.** One of the main additions to the 2025 version is a separate chapter on determining roles and responsibilities. The differences between the concepts in Regulation 2018/1725—controller, processor, and joint controller—and the categories in the AI Act (supplier, developer, and deployer) are defined more precisely. EUIs are recommended to conduct case-by-case assessments and document contractual relationships, incorporating practical examples of internal developments and the use of third-party models.
- **Data Protection Impact Assessment (DPIA) and risk management.** The new version reinforces the obligations relating to DPIA, aligning them with a continuous review approach. While the 2024 guidance required DPIA only before initiating high-risk processing, the 2025 guidance introduces the need to periodically monitor emerging risks, update assessments, and document mitigation measures. It is established that if risks cannot be reasonably mitigated, the EDPS must be consulted.
- **Identification of personal data processing.** The revised guidelines expand on the explanation of when the use of generative AI involves the processing of personal data. It clarifies that processing can occur in multiple phases (training, validation, inference, or output) and that the model will only be considered anonymous when the probability of identification is negligible. It also introduces a more detailed legal analysis of the use of web scraping, pointing out its difficult justification as a basis for lawfulness when public interest is invoked.
- **Legal bases and applicable principles.** Unlike the 2024 version, which described the bases for lawfulness in general terms, the 2025 guide requires the legal bases to be differentiated by phase of the system's life cycle (development and deployment). The use of legitimate interest as a valid basis for EUIs is expressly ruled out, the application of Article 5(1)(a) — task carried out in the public interest or in the exercise of official authority — is reinforced, and verification is required to ensure that external models have not been trained with unlawful processing of personal data.
- **Principles of purpose, minimization, and accuracy.** The new document devotes specific sections to each principle: i) in terms of purpose, it establishes that a clear and distinct purpose must be defined for each stage of the life cycle; ii) on minimization, it requires justification that there are no alternatives to the use of personal data and demonstration that only what is strictly necessary is used; and iii) on accuracy, it introduces the obligation to verify sources, maintain technical documentation, and establish human oversight mechanisms to detect errors or hallucinations in the results.
- **Transparency, automated decisions, and biases.** The 2025 version expands the duty of transparency, requiring EUIs to inform data subjects not only about the logic of the system, but also about the data sources used and the update procedures. It clarifies that Article 24 of the Regulation applies even when the decision is not fully automated. In addition, bias management obligations are strengthened, including the need for periodic audits, technical documentation, and continuous monitoring of results.
- **Rights of data subjects.** The new version substantially expands this section, addressing the practical difficulties in exercising rights over data used in training or generated by inference. Detailed examples of requests for rectification and erasure are included, and it is recommended that traceable records of datasets and outputs be kept facilitating responses to data subjects.

- **Security and cyber protection.** The 2025 version expands the coverage of security risks and incorporates new threats specific to generative AI systems, such as prompt injection, jailbreaking, and augmented generation recovery leaks. It emphasizes the use of reliable data sources, external audits, specialized staff training, and continuous review of security assessments.

12/11/2025

T EDPS - Guidance for risk management of AI systems



1. Context

The EDPS, an independent authority responsible for ensuring the protection of personal data by European Union institutions and bodies (EUIs), has issued several documents in recent years to guide the responsible use of AI. In June 2024, it published Guidelines on the use of generative AI by European institutions, updated in October 2025, focused on ensuring compliance with the European Union Data Protection Regulation (EUDPR) in the use of generative AI systems.

In this context, the EDPS has published the **Guidelines on risk management for AI systems**, with the aim of guiding EUIs in identifying and mitigating risks to fundamental rights arising from the use of AI systems, within the framework of the EUDPR. It complements the EDPS guidelines on generative AI and provides a technical framework for assessing risks from a data protection perspective.

2. Main aspects

The Guidelines contain the following main aspects:

- **Risk management methodology.** Risk management, according to the International Organization for Standardization (ISO) 31000:2018 standard on risk management, which establishes general principles and guidelines applicable to any type of organization, is based on a structured process that includes four phases: i) identifying the sources and events that may affect the fundamental rights of stakeholders; ii) then analyzing the probability and impact of each risk (represented by a qualitative matrix of severity and probability); iii) assessing whether the risk is acceptable or requires additional measures; and iv) selecting and implementing actions to mitigate it and reviewing its effectiveness. The EDPS emphasizes that each institution must conduct a detailed analysis of each AI system according to its own context and criteria, and that if the risks cannot be reasonably mitigated, the EDPS must be consulted in accordance with Article 40(1) of the EUDPR, which requires consultation with the EDPS before initiating high-risk personal data processing.
 - **AI life cycle.** It defines AI systems, in accordance with the AI Act, as machine-based systems with varying levels of autonomy capable of generating outputs that influence physical or virtual environments, distinguishing them from AI models, which are only mathematical components of the system. The EDPS describes a life cycle consisting of nine phases—from conception and data preparation to system withdrawal—where risks may arise that must be identified and managed through appropriate controls. Likewise, when acquiring AI systems from third parties, EUIs must conduct risk assessments before committing resources, integrate safeguards into the tendering phases (publication, selection, award, and execution), and maintain ongoing validation and reassessment processes to ensure regulatory compliance and risk mitigation.
 - **Interpretability and explainability as sine qua non conditions.** It establishes that interpretability and explainability are indispensable conditions for ensuring compliance with the EUDPR in the development, acquisition, and use of AI systems by EU institutions. Interpretability refers to human understanding of the internal workings of the model (how it transforms inputs into outputs), while explainability consists of providing clear and understandable reasons why the model makes certain decisions. Both allow for the detection of errors, biases, and misuse, ensure that decisions are aligned with the organization's objectives, and guarantee the auditability of the system. The document identifies as the main risk the existence of black box systems that are impossible to interpret or explain, recommending measures such as detailed documentation of the model and training data, the use of explainability techniques, and statistical analysis of the results to justify the system's decisions.
 - **Data protection principles affected.** The EDPS identifies five key principles in which risks may materialize: i) fairness, which includes risks of bias in training data, overfitting, algorithmic and interpretation biases; ii) accuracy, which covers risks of incorrect model outputs, data drift, and lack of information from providers; iii) data minimization, which warns against indiscriminate collection and unnecessary storage of personal data; iv) security, which includes training data leaks, security breaches, and vulnerabilities in application programming interfaces (APIs); and v) data subject rights, which include technical challenges in identifying, rectifying, or deleting personal data within complex models. In addition, security risk coverage is expanded to include new threats specific to generative AI systems, such as prompt injection and jailbreaking, which are often left untranslated in technical texts, or augmented generation recovery leaks.
- ### 3. Next steps
- The Guidelines came into force on **November 11, 2025**, and will apply notwithstanding the obligations arising from the AI Act.

13/10/2025

CL EIOPA - Set of consultations related to the Solvency II Review**1. Context**

In July 2024, the European Commission (EC) adopted the revision of the Solvency II framework, concluding a process launched in 2020 with the aim of strengthening the stability of the European insurance sector, promoting long-term investment, and adapting the prudential regime to a more proportionate and efficient approach. This revision laid the groundwork for the development of technical standards and supervisory guidance to ensure its effective implementation in the coming years.

In this context, EIOPA has launched a **new set of consultations related to the Solvency II Review**. The consultations address areas such as the valuation of technical provisions, liquidity supervision, the treatment of ring-fenced funds, and the risk margin, with the aim of ensuring a coherent, proportionate, and transparent application of the revised prudential framework across the European Union (EU). EIOPA also aims to reduce by around 25–30% the total number of applicable guidelines to simplify and streamline the existing regulatory framework.

2. Main aspects

The new set of consultations includes six key documents:

- **Revised Implementing Technical Standards (ITS) on disclosure templates for supervisory authorities.** Proposes adjustments to align disclosure templates with recent regulatory changes and enhance transparency regarding the application of the proportionality framework by supervisory authorities. These updates also aim to improve supervisory reporting and promote greater consistency and transparency among the EU's national competent authorities.
- **Revised ITS on the treatment of the matching adjustment (MA).** Introduces amendments to the approval procedures for the MA, allowing full diversification to be considered for non–ring-fenced portfolios and enabling undertakings to combine their MA liquidity plans with their overall liquidity risk management plans.
- **Revised Guidelines on the valuation of technical provisions.** Proposes to simplify and shorten the guidance on the valuation of technical provisions by removing redundant elements related to the risk margin and updating Guideline 62, which addresses the calculation of the risk margin, to incorporate the new lambda factor into its computation.
- **Revised Guidelines on ring-fenced funds.** Proposes deleting several guidelines and updating legal references, resulting in a 29% reduction in the total number of guidelines, and clarifies that, following the Solvency II Review, not all MA portfolios will be treated as ring-fenced funds.
- **Regulatory Technical Standards (RTS) on the simplified calculation of the risk margin.** Reflect the changes the EC intends to introduce regarding the general calculation of the risk margin within the Level 2 provisions on its simplified approach. These changes aim to harmonize supervisory approaches to liquidity and risk management across the EU.
- **Guidelines on supervisory powers regarding liquidity vulnerabilities.** Define the measures supervisors may apply to address deficiencies in undertakings' liquidity management, detailing the scope, activation, and level of intervention of such powers, including the ability to strengthen liquidity positions or temporarily suspend redemption rights in times of stress.

3. Next steps

- The consultation period will remain open until **5th January 2026**.
- EIOPA intends to continue throughout **2026** with the publication of further consultations covering other components of the revised Solvency II framework, particularly those related to macroprudential supervision, liquidity, and risk management in the insurance sector.

03/12/2025

S EIOPA - Proposal for a natural catastrophe risk awareness and prevention tool (PROTECT)



1. Context

Over recent years, EIOPA has strengthened its work on climate-related risks and natural catastrophe (NatCat) protection gaps, recognising that raising citizens' awareness of natural and climate-related hazards is crucial to ensuring the availability and affordability of property insurance in Europe. EIOPA's research shows that by understanding the potential impacts of climate change on their homes and businesses, consumers are more likely to adopt measures that reduce their vulnerability to extreme weather events and improve long-term resilience. Enhanced awareness also supports more informed insurance decisions, narrowing the insurance protection gap and fostering a proactive approach to risk prevention across the European Union (EU).

In this context, EIOPA has published a **proposal for a natural catastrophe risk awareness and prevention tool** designed to help property owners reduce the vulnerability of their buildings to extreme weather events, limit potential losses and ultimately contribute to Europe's long-term resilience in the face of climate change. The proposed tool, PROTECT, aims to support European citizens in better understanding how climate change could affect residential and commercial buildings and what actions they can take in response.

2. Main aspects

The proposal sets out the following key features of the PROTECT tool:

- **Tailored risk prevention measures for before, during and after events.** According to EIOPA's proposal, PROTECT will provide property owners with practical, peril-specific prevention measures designed to reduce vulnerability to natural hazards such as floods, storms, earthquakes and wildfires. The tool will follow a layered and user-friendly format, offering both general preparedness guidance and detailed building-level recommendations (e.g., roof inspections, drainage maintenance, vegetation management, sealing gaps, reinforcing vulnerable structures). The document also highlights that prevention advice must be actionable, behaviourally informed, and tailored to the location and hazard type, helping citizens understand which measures are most effective and cost-efficient. The tool may include visuals, interactive modules and lists to facilitate comprehension and encourage action.
- **Key insurance-related considerations (exclusions, limits, deductibles, national schemes).** The report explains that PROTECT will also aim to increase consumers' insurance literacy by helping them understand what is typically covered under NatCat insurance, where exclusions may apply, and how deductibles or policy limits operate in practice. EIOPA points out that many consumers do not clearly understand their current level of protection and that inconsistent terminology and unclear disclosures across insurers can create an illusion of being insured. The paper therefore notes that the tool will provide simple, high-level guidance to support users in reviewing their policy documentation, identifying exclusions such as rainfall-driven floods or specific hazard sub-types, understanding national natural disaster compensation schemes where relevant, and preparing home inventories for claims purposes. EIOPA emphasises that the tool will not deliver personalised insurance advice but will instead direct users towards insurers or intermediaries when tailored information is required.
- **Insights into the potential positive impact of prevention measures on risk-based insurance premiums.** EIOPA notes that effective risk-mitigation actions may, in some cases, reduce insurers' risk assessments and improve premium affordability or coverage availability. PROTECT is therefore expected to include illustrative, high-level insights showing how certain measures (improved roof resistance, flood-proofing installations, or fire-resilient landscaping) can contribute to better risk profiles. The document clarifies that the tool will not calculate exact premium reductions, as this depends on insurer methodologies and local risk models. Instead, it will highlight the general relationship between adaptation measures and risk-based pricing, helping consumers understand that preventive action can support long-term insurability and resilience. EIOPA also stresses that meaningful communication about premium impacts must be transparent, non-misleading and based on robust data.

3. Next steps

- EIOPA has not announced a formal timeline for the development or deployment of PROTECT, although the report indicates that a phased, step-by-step approach may be adopted as methodologies and data sources evolve
- The proposal states that further coordination with EU and national authorities, as well as industry stakeholders, will be needed to determine governance, data requirements and implementation arrangements.

09/12/2025

S

EIOPA - New consultation package on the implementation of the IRRD**1. Context**

The IRRD, which is scheduled to come into force in January 2027, introduces a specific recovery and resolution framework for reinsurers in Europe. The Directive focuses on the importance of preventive planning and effective crisis management, with the aim of maintaining the stability of the European insurance sector and enabling the orderly winding-up of entities and groups in difficulty, reducing the likelihood of failures and limiting their impact when they occur, in a more effective and cost-efficient manner.

In this context, EIOPA has published **seven consultation documents with draft guidelines and regulatory technical standards (RTS) to develop the insurance recovery and resolution framework provided for in the IRRD**, with the aim of specifying the scenarios and indicators for preventive recovery plans, the criteria for the application of simplified obligations, the rules for the provision of information and the valuation methodologies in resolution.

2. Main aspects

The consultation package includes the following Guidelines and RTS:

- **Guidelines on scenarios for preventive recovery plans.** These propose a set of macroeconomic and financial stress scenarios, both systemic and specific to the insurance business (e.g. mass policy cancellations, significant increases in claims or underwriting losses), which entities should use in their preventive recovery plans to assess the credibility and viability of the planned measures, analysing their impact on the solvency position, liquidity and profitability of the group or entity.
- **Guidelines on indicators for preventive recovery plans.** They define the qualitative and quantitative indicators that must be included in preventive recovery plans, covering indicators of capital and solvency, liquidity, asset quality, profitability, market and macroeconomic conditions, as well as operational events. The guidelines specify how to use these indicators to trigger alert phases and assess the need to implement recovery measures.
- **Guidelines on the provision of information and the use of exemptions from professional secrecy.** These establish the rules applicable to the use of exemptions from professional secrecy when sharing confidential information in the context of recovery and resolution, especially when disclosures are made in summary or aggregate form without allowing the identification of individual entities. They also address cooperation and information exchange between resolution authorities and supervisors.
- **Guidelines on the application of simplified recovery and resolution obligations.** These specify the eligibility criteria for the application of simplified recovery and resolution obligations, detailing factors such as the nature of the business, shareholding structure, legal form, risk profile, size, legal situation, degree of interconnectedness, and the scope and complexity of activities. These guidelines provide guidance to authorities in determining which institutions or groups may benefit from less stringent requirements without compromising the objectives of the framework.
- **RTS on the independence of valuers in resolution processes.** These define the conditions under which a candidate valuer can be considered independent from both the resolution authority and the entity under resolution, including criteria on financial, employment, commercial or other interests that may give rise to conflicts, so that the valuation of assets and liabilities in the resolution process is objective and reliable.
- **RTS on the contractual recognition of stay powers in resolution.** These establish standardised contractual terms for financial contracts subject to third-country law, in order to ensure that the resolution authority can exercise its powers to stay or restrict rights and obligations (stay powers) over such contracts and to strengthen the cross-border enforceability of its decisions in a resolution context.
- **RTS on the valuation of liabilities arising from derivative contracts in resolution.** These specify the methodologies and principles to be applied when valuing liabilities arising from derivative contracts during the resolution process, including aspects relating to the determination of economic value under stress conditions, the consideration of guarantees and collateral, and consistency with other elements of the overall valuation of the institution.

3. Next steps

- The period for submitting comments ends on **20 March 2026**.

16/12/2025



EIOPA - Results of the European liquidity stress test for occupational pension funds



1. Context

In April 2025, EIOPA launched a Europe-wide liquidity stress test exercise targeting IORPs, with the aim of assessing their resilience to severe market stress scenarios. The exercise focused specifically on the liquidity risk arising from the use of financial instruments, in particular derivatives used for risk hedging, and on the ability of institutions to cope with significant margin calls in a context of sharp movements in interest rate curves and high financial volatility.

In this context, EIOPA has published **the results of the stress test**, with the aim of identifying vulnerabilities at aggregate level and by entity, analysing the adequacy of available liquidity buffers and drawing conclusions relevant to supervision and dialogue with the competent authorities and occupational pension funds themselves on liquidity risk management.

2. Main aspects

The published document sets out the main conclusions of the liquidity stress test of IORPs against extreme market scenarios:

- **Liquidity position and sustainability of buffers.** The exercise is based on two adverse macro-financial scenarios: the yield curve up (YCU) scenario and the yield curve down (YCD) scenario. The results show that IORPs started from an aggregate positive liquidity position, which is subject to significant stress in both scenarios. In the YCU scenario, the aggregate liquidity position becomes negative before management actions are implemented, while in the YCD scenario it remains positive. However, analysis of liquidity sustainability indicators, which incorporates the set of liquid assets available after applying prudential haircuts, shows that no entity has an unsustainable liquidity position, with solid buffers remaining at the aggregate level.
- **Liquidity flows and immediate cash needs.** The liquidity stresses observed are mainly explained by outflows associated with margin calls arising from the use of financial instruments for risk hedging, as well as other market impacts on short-term cash needs. These flows are particularly relevant in the YCU scenario, where margin calls must be covered within very short time frames and, in most cases, in cash, generating significant pressures on the daily liquidity management of a significant number of IORPs.
- **Stocks of liquid assets and shock absorption capacity.** Analysis of liquid asset stocks, beyond cash and cash equivalents, highlights that IORPs have a broad base of potentially mobilisable assets to cope with liquidity stresses under both scenarios. Although the aggregate volume of liquid assets is reduced after the stress, especially before the implementation of management actions, these stocks make it possible to absorb liquidity needs without resorting to disorderly sales. The implementation of management actions helps to preserve these stocks and restore a positive aggregate liquidity position.
- **Overall conclusions of the exercise.** Overall, the exercise confirms that, although IORPs face significant liquidity risks, especially in scenarios of rapid interest rate rises, the sector has sufficient risk management capabilities and buffers to absorb severe shocks. Institutions maintain a stabilising behaviour, remaining net buyers even in stress situations and avoiding contagion effects on other financial markets.

3. Next steps

- The stress test exercise had a primarily microprudential approach and is not designed as a binary pass/fail exercise. However, its conclusions provide a solid basis for follow-up dialogue between supervisors and participating occupational pension institutions regarding the vulnerabilities identified.
- The results of the exercise will also support EIOPA's work in strengthening the supervision of these institutions' liquidity risk management frameworks.

19/11/2025

S EP - Endorsement and additional adjustments to the Omnibus proposal



1. Context

In February 2025, the European Commission (EC) presented its proposed Omnibus package, with the aim of simplifying and reducing the administrative burdens arising from the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D). This proposal included significant changes to the thresholds for application, the definition of the value chain, the requirements associated with climate transition and the functioning of reporting standards. In July 2025, the Council adopted its position and amended several key elements of the Commission's text, particularly in relation to proportionality, limits on requesting information from the value chain, and transitional arrangements for climate plans. Subsequently, the European Parliament held a first vote on a compromise text that did not achieve the required majority, reopening internal negotiations.

In this context, the EP has endorsed the proposal to simplify the Omnibus package, incorporating additional adjustments with the aim of reducing administrative burdens, clarifying the scope of obligations, and ensuring a more proportionate application of sustainability and due diligence requirements.

2. Main aspects

- The text approved by Parliament contains the following key aspects, compared to the mandate of the Commission and the Council:
- **Revision of the scope of the CSRD.** The Commission's proposal reduced the individual scope of reporting to companies with more than 1,000 employees or exceeding the financial thresholds of the Accounting Directive, in order to ease the burden on smaller companies. The Council's mandate already modified this approach, introducing a cumulative threshold of more than 1,000 employees and more than €450 million in turnover, with the aim of restricting the universe of companies required to comply. The Parliament further tightens this approach and stipulates that only companies with more than 1,750 employees and €450 million in turnover will be subject to the directive, aligning the CSRD with the new proportionality criteria adopted in the CS3D. This new threshold represents a significant reduction compared to both the Commission's and the Council's texts, with a direct impact on the number of companies affected and the mandatory content of consolidated reports.
- **Revision of the scope of the CS3D.** The Commission had set a very narrow scope, limited to companies with more than 5,000 employees and €1.5 billion in turnover in the Union, which already represented a substantial reduction compared to the scope initially negotiated in the CS3D. The Council maintained this threshold. The Parliament, on the other hand, introduces a single harmonised threshold of more than 1,750 employees and more than €450 million in turnover, aligning it with the CSRD.
- **Risk-based due diligence approach.** The Commission maintained a broad approach that required identifying risks and obtaining relevant information throughout the chain of activities, allowing information to be requested from business partners when necessary. The Council reduced this scope by focusing on more likely and more serious risks, limiting the need to contact indirect partners. The Parliament goes further and establishes that companies must base their initial delimitation exclusively on reasonably available information, a concept it introduces and which was not included in the Commission's proposal, without contacting business partners unless there are verifiable signs of significant adverse impacts. This change significantly reduces the operational burdens compared to the Commission and the Council, reinforces a strictly risk-based approach and provides a clearer legal basis for justifying the absence of information in certain cases.
- **Value chain information and use of voluntary standards (ESRS).** The Commission had proposed that companies should not be able to request additional information from companies in their value chain with fewer than 1,000 employees, shifting part of the focus to the voluntary standard. The Council maintained this limit. The Parliament increases the level of protection in the value chain, establishing that information exceeding voluntary standards cannot be required from companies with fewer than 1,750 employees and €450 million in turnover.
- **Simplified climate transition plans.** The Commission maintained the obligation to adopt climate transition plans as part of the set of sustainability and due diligence obligations, although it allowed for some flexibility. The Council had softened this obligation by allowing its voluntary adoption during the first two years. The Parliament completely removes this requirement from the CS3D text, citing proportionality criteria and the need to avoid duplication, given that the CSRD already regulates climate transition information through ESRS.
- **Civil liability.** The Commission proposed that Member States regulate civil liability in accordance with their national frameworks, without introducing harmonised limits for financial penalties. The Council maintained this approach. The Parliament introduces an element of harmonisation by requiring Member States to set a maximum limit for financial penalties equivalent to 5% of the global turnover of the company.

or group, which is a substantial change from the Commission's model and establishes greater consistency in the cross-border application of the penalty regime.

- **Exemptions and other flexibilities.** The Parliament introduces a number of additional adjustments and flexibilities compared to the Commission and the Council. These include the consolidation of the exemption for financial holding undertakings, which was already included in the Commission's proposal and which the Parliament now explicitly incorporates into the text, a 24-month transition period to integrate new subsidiaries into due diligence processes, the non-requirement for digital marking until the Commission adopts specific technical standards, and the elimination of the mandatory sectoral standards envisaged by the Commission, replaced by voluntary guidelines. It also incorporates the creation of a single digital portal to facilitate sustainability reporting and access to guidance tools, significantly reducing the complexity of the operational framework.
- **New transposition date for the CS3D.** The Commission had proposed a phased implementation based on company size; the Council replaced this model with a uniform model applicable from July 2029. The Parliament maintains the timetable proposed by the Council, although the modification of the thresholds significantly alters the set of companies that will be subject to the obligations from that date.

Area / Item	Commission (Feb 2025)	Council (Jul 2025)	Parliament (Nov 2025)
CSRD – Scope	>1,000 employees or meeting the financial criteria under the Accounting Directive	>1,000 employees and >€450m	>1,750 employees and >€450m
CS3D – Scope	>5,000 employees and >€1.5bn turnover in the EU	Same as Commission	Replaced with >1,750 employees and >€450m
Risk-based due diligence approach	Broad approach: extensive risk identification, possibility to request information from business partners	Approach limited to the most likely and most severe risks; reduced information requirements	Initial scoping based solely on reasonably available information; no contacting partners unless there are verifiable indications of adverse impacts
Value chain and voluntary standards (ESRS)	No additional information required from entities with <1,000 employees; voluntary standard still to be developed	Maintains the <1,000-employee limit	New threshold <1,750 employees and <€450m; voluntary standards based on Recommendation 2025/4984 and the VSME
Climate transition plans (CS3D)	Mandatory climate transition plans	Requirement softened: voluntary during the first two years	Removed from the directive
Civil liability (CS3D)	No harmonised regime; determined by Member States	Confirms absence of harmonisation	Harmonised ceiling: maximum 5% of global turnover
Exemptions and other flexibilities	No specific exemptions	No additional exemptions introduced	Exemption for financial holding undertakings; 24-month integration period for newly acquired subsidiaries; no digital tagging until technical standards adopted; removal of mandatory sector-specific ESRS
Transposition / Application (CS3D)	Staggered application based on company size	Transposition by 26/07/2028; application from 26/07/2029	Aligned with the Council

3. Next steps

- The text adopted by Parliament will now be negotiated with the Council, with the trilogue scheduled to begin on **November 18, 2025**.

17/10/2025

E ESAs - Work Programme 2026**1. Context**

Following the launch of the European Union's (EU) Simplification Agenda in 2024 and the entry into application of the Digital Operational Resilience Act (DORA) in January 2025, the ESAs have further reinforced their role as a platform for cross-sectoral coordination. Throughout 2025, the ESAs focused on advancing supervisory convergence and ensuring consistent implementation of new EU regulatory frameworks, while continuing to monitor risks and vulnerabilities across the financial system amid a context of persistent geopolitical tensions and macroeconomic uncertainty.

In this context, the ESAs have published its **Work Programme for 2026**, setting out the joint priorities and cross-sectoral deliverables for the upcoming year. The programme seeks to strengthen the EU financial system's digital operational resilience, enhance consumer protection and financial innovation, and address emerging cross-sectoral risks, while advancing the simplification and burden-reduction objectives established under the EU Simplification Agenda.

2. Main aspects

The Work Program outlines the following key areas that will guide the committee's joint work during 2026:

- **Supervision under DORA.** In 2026, the ESAs will conduct the first complete oversight cycle under the new DORA framework. Through the Oversight Forum, the joint supervisory body under DORA, they will designate critical information and communication technologies (ICT) third-party providers (CTPPs) to the EU financial sector and assign a Lead Overseer for each, who will coordinate the work of Joint Examination Teams and ensure consistent supervision across the EU. These teams will carry out initial risk assessments and develop individual and multi-annual oversight plans, leading to potential recommendations and follow-ups. The ESAs will also continue to advance the EU Systemic Cyber Incident Coordination Framework (EU-SCICF), strengthening tools and procedures for coordinated responses to systemic cyber events.
- **Consumer Protection and Financial Innovation.** Consumer protection remains a key cross-sectoral priority for 2026, in line with the European Commission's (EC) Savings and Investment Union (SIU) initiative. The committee is expected to develop Regulatory Technical Standards (RTS) on the Packaged Retail and Insurance-based Investment Products (PRIIPs) Key Information Document (KID), subject to the outcome of negotiations on the Retail Investment Strategy. The document also notes that the ESAs will pursue further supervisory convergence and provide annual reporting on administrative sanctions under the PRIIPs Regulation. Additionally, the ESAs will promote financial education, including a dedicated workshop to exchange good practices with national competent authorities.
- **Sustainable Finance and Risk Assessment.** The Committee will continue monitoring the review of the Sustainable Finance Disclosure Regulation (SFDR) and preparing for potential new mandates arising from the legislative process. To align with the simplification agenda, the ESAs will suspend the 2026 annual report on Principal Adverse Impacts (PAIs) required under Article 18 SFDR, which assesses the scope and quality of sustainability disclosures by financial market participants. The ESAs are also expected to issue joint guidelines on ESG stress testing by January 2026, as mandated under the Capital Requirements Directive (CRD) 6 and Solvency II. In parallel, the ESAs will maintain its cross-sectoral risk assessment work, reporting key findings to the EU Economic and Financial Committee (EFC) and the Financial Stability Table (FST) through the annual Joint Report on Risks and Vulnerabilities.
- **Securitisation and Financial Conglomerates.** The Securitisation Committee (JCSC) will follow up on its 2025 report under the Securitisation Regulation (SECR), providing technical advice and promoting supervisory convergence in the application of the framework. The ESAs will also advance their work on financial conglomerates, including the annual update of the list of identified conglomerates, the development of capital adequacy reporting templates, and an analytical note on stress testing practices to address interconnectivity risks across sectors.
- **Innovation and Market Infrastructure (EFIF and ECAIs).** Under the European Forum for Innovation Facilitators (EFIF), the ESAs will continue mapping BigTechs and Mixed Activity Groups (MAGs) providing financial services in the EU and supporting coordination between financial and Artificial Intelligence (AI) regulatory sandboxes required by the AI Act. In addition, they will continue monitoring External Credit Assessment Institutions (ECAIs) by updating credit rating mappings and, where appropriate, developing implementing technical standards (ITS).
- **Other Joint Work and Governance Topics.** The ESAs will jointly organise the thirteenth Joint Consumer Protection Day and contribute to the implementation of the European Single Access Point (ESAP) led by European Securities and Markets Authority (ESMA). Further cooperation will take place on bilateral margining under the European Market Infrastructure Regulation (EMIR) 3. The Committee also plans to complete the fit-and-proper database extension to include legal persons and to conduct a joint assessment on the independence of national competent authorities during 2026.

10/10/2025

E ESMA - Work Programme 2026**1. Context**

In October 2022, the ESMA published its Multi-Annual Strategy for the period 2023-2028 (ESMA Strategy), which sets out three strategic priorities (promoting effective markets and financial stability, strengthening the supervision of financial markets in the European Union (EU), and improving the protection of retail investors) and two thematic drivers (enabling sustainable financing and facilitating technological innovation and the effective use of data).

In this context, **ESMA has published its 2026 Work Program**, with the aim of consolidating the activities undertaken in previous years and preparing for the transition to the European Commission's (EC) new Savings and Investment Strategy (SIS). The program prioritizes the integration and competitiveness of capital markets, regulatory simplification, and the strengthening of the supervisory framework and ESMA's direct mandates.

2. Main aspects

ESMA's Work Program for 2025 is structured around five key priorities, although technological innovation is no longer included as a separate priority, but is integrated alongside the effective use of data:

- **Efficient markets and financial stability.** This priority aims to strengthen the integration and resilience of EU capital markets in line with the SIU. In 2026, ESMA will work on rules derived from the revision of the European Market Infrastructure Regulation (EMIR) 3, the Central Securities Depository Regulation (CSDR), the Alternative Investment Fund Managers Directive (AIFMD) and the Undertakings for Collective Investment in Transferable Securities (UCITS) Directives, and the Listing Act to simplify and harmonize the framework. At the same time, it will continue to monitor risks through trend, risk, and vulnerability (TRV) reports, coordinate systemic supervision through the Single Supervisory Mechanism (SSM), and assess the solvency of central counterparties (CCPs) through stress tests.
- **Effective supervision.** The priority of effective supervision seeks to reinforce a common supervisory culture based on risk and the use of data. In 2026, ESMA will ensure the full implementation of the Digital Operational Resilience Act (DORA) and take on new mandates on consolidated tape providers (CTPs), external reviewers of European green bonds, and providers of environmental, social, and governance (ESG) ratings. In addition, it will promote convergence among national authorities through the Uniform Supervisory Standards (USSPs) on digital resilience and ESG disclosures, and will assess its independence together with the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA). Key outputs include the report on sanctions and administrative measures and the joint report on supervisory independence.
- **Retail investor protection.** The retail investor protection priority aims to strengthen supervisory convergence and ensure an effective protection framework for small investors in EU capital markets. In 2026, ESMA will work on developing technical standards and advising the EC under the Retail Investment Strategy (RIS), addressing issues such as disclosures, costs, fees, and benchmarks. In addition, it will continue to monitor the risks arising from digitalization and the use of alternative distribution channels—such as social media marketing or artificial intelligence (AI) generated recommendations—and will coordinate joint supervisory exercises to detect malpractice. It will also promote financial education together with the EBA and EIOPA to strengthen retail investor confidence and facilitate their informed participation in the markets.
- **Sustainable finance.** This priority seeks to strengthen the consistency and effectiveness of the regulatory framework on sustainability, reducing unnecessary burdens on market participants and improving the quality of ESG disclosures. In 2026, ESMA will focus its work on climate transition finance, developing thematic notes on transition finance and sustainability claims, and will support national competent authorities (NCAs) in supervising greenwashing risks. It will also continue to promote international cooperation with bodies such as the International Organization of Securities Commissions (IOSCO), the Financial Stability Board (FSB), the International Sustainability Standards Board (ISSB), and the Network for Greening the Financial System (NGFS), as well as promoting the exchange of best practices in the application of guidelines on fund naming and the verification of sustainability information.
- **Effective use of data and technological innovation.** The aim is to consolidate ESMA as a European data hub and improve the quality and accessibility of financial information. In 2026, it will advance its 2023-2028 Data Strategy, reducing reporting burdens by integrating the Markets in Financial Instruments Regulation (MiFIR), EMIR, and the Securities Financing Transactions Regulation (SFTFTR). It will publish reports on transactional reporting and AIFMD/UCITS funds and promote ESMA's data platform and the European Single Access Point (ESAP). In innovation, it will promote the use of decentralized finance (DeFi), supervisory technology (SupTech), regulatory technology (RegTech), and artificial intelligence (AI), and will cooperate with the International Organization for Standardization (ISO) and the Global Identifiers Oversight Committee (ROC) to harmonize data standards.

22/10/2025



R SRB - New operational communication guidelines for banks

1. Context

Since the creation of the European Banking Union, the Single Resolution Mechanism (SRM) has been established as the central tool for managing unviable banks in an orderly manner, protecting financial stability and avoiding costs for taxpayers. To ensure the proper application of this mechanism, the SRB was created to supervise the most significant banking institutions and ensure that they have adequate resolution plans in place, including solvency, liquidity, and communication preparedness measures.

In this context, the SRB has published a **public consultation on its new operational communication guidelines for banks**, which includes the operational **Guide on communication for banks** and the **communication Supplement to the operational Guide on resolvability testing for banks**. The aim is to establish a common framework that will enable institutions to develop clear and coordinated communication plans, test resolution scenarios, and improve their preparedness for potential financial crises.

2. Main aspects

Specifically, the SRB proposes requiring banks to have:

- **Communication plans for resolution.** Institutions must have detailed communication strategies for scenarios of non-viability, covering all phases (before, during, and after resolution). These plans must identify key audiences, define specific messages, dissemination channels, and internal managers to ensure speed and consistency. In addition, they must include the necessary infrastructure and resources, mechanisms to manage market perception, and strategies to address obstacles or misinformation, ensuring flexibility in the face of unforeseen situations.
- **Governance and coordination with authorities.** The need to align banks' communication with that of the SRB and national resolution authorities is reinforced. Banks must define clear roles and responsibilities, protect sensitive information, and ensure consistency with other operational resolution documents. This seeks to avoid conflicting messages, reduce market uncertainty, and maintain the confidence of depositors and investors.
- **Communication in resolvability tests: Communication Supplement to the operational Guide on resolvability tests.** The supplement to the operational Guide on resolvability testing for banks introduces specific expectations on how banks should test their communication plans in practical exercises. Three key areas are established: i) preparation of communication infrastructure and equipment; ii) adaptation of the plan to different crisis scenarios and iii) execution and monitoring of the exercises. Banks must document evidence in the Evidence Book.

3. Next steps

- The public consultation will remain open until **December 12, 2025**.

16/12/2025



R SRB - Modernised expectations on EoVC in the event of a crisis

1. Context

In 2019, the SRB published its valuation framework, providing independent valuers and the market with a clear reference on its expectations regarding the principles and methodologies applicable to valuations 2 and 3 in the resolution context. Subsequently, in 2020, it published its standardized valuation dataset (VDS 2020), which set out granular information requirements (at data-attribute level) to enable valuations in resolution, with a focus on the availability and traceability of asset and liability data. On this basis, in April 2025, the SRB launched a public consultation to update its framework of expectations on valuation capabilities in crisis situations, with the aim of simplifying and making the approach more operational.

In this context, the SRB has published the final version of the **Modernised Expectations on Valuation Capabilities (EoVC) for banks in the event of crisis**, with the objective of ensuring that, on a permanent basis, a minimum dataset is available to support valuations in resolution and to reduce the risk of insufficient information for independent valuers to calibrate their models.

2. Main aspects

This publication sets out the key elements of the SRB's final framework and summarizes the main changes introduced following the public consultation compared with the version submitted for consultation:

- **Updated framework of expectations on valuation capabilities.** A renewed framework of expectations applicable to entities within the SRB's remit is defined, replacing the guidance published in 2020. The framework consolidates and expands existing requirements, clarifies which information must be available to enable timely and reliable valuations in resolution, and aligns these expectations with the crisis preparedness strategy of the Single Resolution Mechanism.
- **Valuation Data Index (VDI).** A structured index is introduced identifying the minimum set of information that must be made available to independent valuers. This index covers both structured data and key documentation, enabling a comprehensive view of the entity's financial position and supporting consistent valuations of assets, liabilities and business models in crisis scenarios.
- **Revision and simplification of the Valuation Dataset (VDS).** The new dataset enhances the VDS 2020 by reducing less relevant attributes, eliminating duplications and aligning requirements with existing European Union (EU) regulatory standards. In addition, coverage is expanded to certain asset types and specific portfolios, while maintaining a proportionate approach reflecting each entity's size, complexity and risk profile.
- **Data Repository for Resolution (DRR).** An expectation is established for entities to maintain a permanent repository centralising information relevant for resolution. The final framework removes the requirement for continuous access to this repository, while maintaining the obligation to make the data available to the resolution authority and the independent valuer within a short timeframe when required.
- **Valuation playbooks and governance.** Entities are expected to have internal playbooks documenting valuation processes in crisis situations, including methodologies, potential use of internal capabilities, data quality controls and governance arrangements. This strengthens organizational clarity and operational readiness to respond effectively in situations of failure.

3. Next steps

- **Progressive implementation is expected by the end of 2029;** during the transition period, entities must maintain the capabilities to produce the VDS 2020.
- The EoVC are not legally binding and do not replace applicable legislation; the SRB may review or amend these expectations and, in specific situations and in line with the legal framework, apply them with flexibility on a case-by-case basis.

Q4 Relevant publications

Spain

10/12/2025

T AESIA - Guidelines on the application of the Artificial Intelligence (AI) Regulation



1. Context

In recent years, the European Union (EU) has promoted the development of a specific regulatory framework for artificial intelligence, culminating in the adoption of Regulation 2024/1689 on AI (AI Act), which establishes a risk-based approach and introduces new obligations across the entire lifecycle of AI systems. In parallel, Spain has been adapting its institutional framework to facilitate its implementation, strengthening national supervisory and support capabilities for economic operators through the establishment of AESIA.

In this context, AESIA has published a set of non-binding **technical and practical guidelines on the application of the AI Regulation**, in particular for high-risk AI systems, aimed at facilitating the understanding of regulatory requirements and supporting providers, deployment managers, and users in adapting their systems, processes and control mechanisms to the obligations laid down in the Regulation.

2. Main aspects

In total, AESIA has published 15 guidelines and 1 manual:

- **Guideline 1. Introduction to the AI Regulation.** Provides an overview of the Regulation, its structure, the risk-based approach and the main obligations applicable depending on the type of AI system and the role of the different operators.
- **Guideline 2. Practical guide and examples to understand the AI Regulation.** Includes practical cases and illustrative examples to facilitate the interpretation and application of the Regulation's requirements in real-life situations.
- **Guideline 3. Conformity assessment.** Sets out the procedures and steps required to verify that AI systems comply with the Regulation's requirements prior to being placed on the market or put into service.
- **Guideline 4. Quality management system.** Details the elements that must be included in the quality management systems required for providers of AI systems, in particular for high-risk AI systems.
- **Guideline 5. Risk management system.** Addresses the obligations relating to the identification, analysis, mitigation, and continuous review of risks associated with AI systems throughout their lifecycle.
- **Guideline 6. Human oversight.** Explains the requirements to ensure effective human oversight during the operation of AI systems.
- **Guideline 7. Data and data governance.** Develops the requirements relating to the quality, representativeness, governance and management of data used in AI systems.
- **Guideline 8. Transparency and provision of information to users.** Describes the information and transparency obligations towards users and other stakeholders, depending on the type of AI system.
- **Guideline 9. Accuracy.** Details the requirements related to the accuracy and performance of AI systems.
- **Guideline 10. Robustness.** Focuses on the resilience and robustness of AI systems against errors, failures or attempts at manipulation.
- **Guideline 11. Cybersecurity.** Establishes the obligations to protect AI systems against cybersecurity threats and vulnerabilities.
- **Guideline 12. Record-keeping and automatically generated logs.** Develops the traceability and record-keeping requirements set out in the AI Regulation.
- **Guideline 13. Post-market monitoring plan.** Describes the mechanisms for the continuous monitoring of AI systems once they have been placed on the market or put into service.
- **Guideline 14. Reporting of serious incidents.** Sets out the procedures for the detection, documentation and reporting of serious incidents related to AI systems.
- **Guideline 15. Technical documentation.** Details the minimum content and structure of the technical documentation required under the Regulation.
- **Checklist manual for requirements guidelines.** Provides a practical verification tool to enable a structured assessment of compliance with the requirements of the AI Regulation.

3. Next steps

- The documents are subject to an ongoing process of assessment and review, with periodic updates in line with the development of standards and the various guidelines issued by the European Commission (EC) and could be updated based on developments in standards and the Digital Omnibus proposal (pending adoption).

26/12/2025



G BOE - Law 10/2025 of 26 December, regulating customer service (LSAC)

1. Context

Customer service has become, in recent years, a central element of consumer and user protection and a relevant factor in the quality of the provision of goods and services. The general consumer protection framework already required companies to put in place effective mechanisms for the submission and handling of enquiries, complaints and claims, ensuring proper record-keeping of communications and the provision of direct personal assistance, particularly in sectors of significant economic and social relevance. However, administrative experience and supervisory practice have revealed significant disparities in the quality levels of these services, as well as recurring shortcomings that have resulted in a high volume of complaints and reduced effectiveness in the early resolution of consumer disputes.

In this context, BOE has published **Law 10/2025 of 26 December, regulating customer service (LSAC)**, with the aim of establishing minimum quality standards and a mandatory evaluation framework applicable to certain companies, strengthening consumer protection and improving market efficiency in the early resolution of consumer disputes.

2. Main aspects

Law 10/2025 sets out the following key elements:

- **Scope of application.** The Law applies to companies operating in Spain that provide essential services of general interest, including water, gas and electricity supply and distribution, passenger transport, postal services, electronic communications and financial services. In the financial and telecommunications sectors, the applicable sector-specific legislation prevails, with this Law applying on a supplementary basis. It also applies to large companies selling goods or providing services to consumers in Spain where, in the previous financial year, they meet at least one of the following thresholds: 250 employees, €50 million in turnover or €43 million in balance sheet total, including corporate groups within the meaning of Article 42 of the Spanish Commercial Code. The Law applies irrespective of the communication channel used, the outsourcing of the service or the location of the customer contact point.
- **Core obligations of customer service.** Companies must have a customer service function that is free of charge, effective, universally accessible, inclusive, non-discriminatory and subject to evaluation, ensuring the proper recording, tracking and resolution of enquiries, complaints, claims and incidents. The exclusive use of automated answering systems or similar tools is prohibited, and, at the customer's request, personalised assistance by an identified operator must be provided. The Law sets out specific quality parameters, including the effective handling of 95% of calls within an average time of less than three minutes, maximum resolution deadlines of 15 business days with shorter deadlines for critical cases, the provision of a reference number and a receipt on a durable medium, and restrictions on the suspension of services under continuous-performance contracts while a complaint remains pending an express and reasoned decision.
- **Accessibility, treatment of vulnerable persons and universal design.** Customer service must be designed in accordance with the principles of universal accessibility, equal treatment and non-discrimination, incorporating specific measures for vulnerable consumers, particularly persons with disabilities and elderly persons. In face-to-face services, individualised support and assistance must be provided where necessary, while telephone services must ensure priority handling for these groups and enable alternative channels such as instant messaging or sign language video interpretation systems, in order to ensure effective and needs-based customer service.
- **Pre-contractual and contractual information on customer service.** Before a consumer becomes bound by a contract or commercial offer, the company must provide clear and accessible information on the available customer service channels, the mechanisms for recording and tracking enquiries and complaints, the applicable maximum resolution timeframes, alternative dispute resolution mechanisms and service opening hours. This information will form an integral part of the contract and must, in all cases, be made available on the company's website and included in the invoices issued in connection with the contract.
- **Amendments to the General Law for the Protection of Consumers and Users.** The Law introduces amendments to Article 20 of the consolidated text of the General Law for the Protection of Consumers and Users to enhance price transparency and the reliability of consumer reviews. In particular, companies are required to ensure that published reviews originate from consumers who have actually purchased or used the relevant good or service, and to provide clear information on the methods used to verify and process such reviews. Reviews must also relate to goods or services purchased or used within the thirty (30) calendar days prior to publication, and companies are entitled to remove reviews that are false or

misleading once their lack of authenticity has been duly established. The sanctioning framework is further strengthened where these breaches affect consumers in vulnerable situations.

3. Next steps

- The Law entered into force on the day following its publication in the BOE, **28 December 2025**.
- A **12-month transitional period** is established for companies to adapt their customer service arrangements to the new requirements set out in the Law.

31/12/2025

BANCODE ESPAÑA
Eurosistema

CL BdE - Circular 1/2025, amending Circular 4/2017 and Circular 1/2013

1. Context

The BdE establishes the financial reporting framework applicable to credit institutions through Circular 4/2017, which incorporates the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) as the basis for the recognition, measurement, presentation and disclosure of accounting information. This framework is periodically updated to reflect amendments introduced to EU-IFRS, in particular in relation to financial instruments (EU-IFRS 9 and EU-IFRS 7), accounting estimates (EU-IAS 8) and taxation (EU-IAS 12).

In this context, the BdE has published **Circular 1/2025, amending Circular 4/2017 and Circular 1/2013**, with the aim of maintaining the alignment of the accounting framework applicable to credit institutions with the most recent changes to EU-IFRS, revising the criteria applicable to the coverage of credit risk by reason of country risk, and advancing the rationalisation of confidential financial statements by progressively replacing certain aggregated reports with granular information drawn from the CIR.

2. Main aspects

Circular 1/2025 incorporates amendments introduced primarily in EU-IFRS 9 on financial instruments, as well as amendments introduced in EU-IFRS 1, 7 and EU-IAS 8 and 12. First, among the changes derived from EU-IFRS 9, the following are noteworthy:

- Classification and measurement of financial assets with contingent cash flows. Previously, the existence of contractual conditions that modified cash flows depending on contingent events not directly related to the basic costs and risks of a lending arrangement could prevent certain financial assets from being classified at amortised cost or at fair value through other comprehensive income. Under the amendment, such assets may be classified in those categories provided that, in all contractually possible scenarios, the contractual cash flows do not differ significantly from those of an equivalent loan without the contingent condition.
- Contracts referenced to electricity generated from natural sources. Until now, these contracts were assessed under the general criteria applicable to contracts on non-financial items, without specific guidance. The Circular introduces an explicit definition and establishes specific criteria to determine when they may be considered contracts held for own use, also allowing their designation as hedging instruments and expanding the disclosure requirements in the notes to the financial statements.
- Derecognition of financial liabilities in electronic payment transactions. Previously, the derecognition of a financial liability generally occurred on the settlement date. The Circular now allows, subject to certain conditions, derecognition to take place on the date on which the payment order is initiated, where payment is made in cash through electronic payment systems and settlement risk is insignificant.
- Tranche structures and project finance. The Circular clarifies and further develops criteria that were previously less detailed for determining when the contractual cash flows of instruments issued in multi-tranche structures (such as securitisations) or of loans linked to specific projects may be regarded as consistent with payments of principal and interest, thereby reducing uncertainty in their accounting classification.

Secondly, among the amendments derived from EU-IFRS 1, 7 and EU-IAS 8 and 12, the following stand out:

- EU-IFRS 1. Presentation of financial statements. Previously, Circular 4/2017 did not explicitly specify the scope of the summary of accounting policies to be included in the notes. The Circular strengthens this requirement, mandating that the notes include a concise and clear summary of significant accounting policies, including the measurement bases applied, insofar as they are relevant to the understanding of the financial statements.
- EU-IFRS 7. Financial instruments: disclosures. The previous framework established more limited disclosure requirements for certain instruments and exposures. The Circular expands the disclosures required in the notes, including information on financial assets with contingent cash flows, investments in equity instruments measured at fair value through other comprehensive income, and contracts referenced to electricity generated from natural sources, thereby enhancing transparency regarding their impact on profit or loss and cash flows. Additionally, the Circular introduces new disclosure requirements in the notes to the financial statements regarding credit obtained through supplier financing programmes granted by other institutions, including information on amounts, maturities and comparability with trade payables not included in such programmes.

- EU-IAS 8. Accounting policies, changes in accounting estimates and errors. Until now, Circular 4/2017 did not include an explicit definition of accounting estimates nor clearly distinguish when a change should be treated as a change in estimate or as the correction of an error. The Circular incorporates the definition of accounting estimates and clarifies that changes in valuation techniques, estimation methodologies or inputs are to be treated as changes in accounting estimates, unless they result from errors in prior periods.
- EU-IAS 12. Income taxes. Previously, the Circular did not provide specific treatment for deferred tax assets and liabilities arising from the global minimum tax. The Circular introduces a mandatory exception to the recognition of deferred tax assets and liabilities related to the top-up tax designed to ensure a global minimum level of taxation, aligning the accounting framework for credit institutions with the amendments to EU-IAS 12 and with the General Accounting Plan.

In addition, among the amendments introduced to Circular 1/2013, the following should be noted:

- Replacement of confidential statements with granular information. Until now, certain key information on credit risk coverage and foreclosed assets was reported to the BdE through aggregated confidential financial statements. The Circular initiates a process to replace these statements with granular information drawn from the CIR, strengthening data consistency and reuse.
- Update of derivatives reporting templates and increase in reporting thresholds. The Circular updates the FI 105 and FI 136 templates relating to derivatives transactions and significantly increases the reporting threshold for the FI 136 template, from EUR 10 million to EUR 500 million, thereby reducing the number of institutions required to submit this report.
- New dimensions in CIR reporting. The previous CIR framework did not include certain dimensions required to replace aggregated statements. The Circular introduces new variables, such as the amount of exposure not covered by real collateral after haircuts, as well as new values related to the impairment assessment method, to support the new coverage and classification requirements.
- Consistency between CIR data and confidential financial reporting. The amendments enhance coordination between the granular information reported to the CIR and confidential financial statements, addressing existing misalignments and laying the groundwork for a progressive reduction in duplicated reporting burdens.

Finally, the Circular revises the coverage of credit risk by reason of country risk:

- Update of country risk and geopolitical risk coverage criteria. Previously, Circular 4/2017 established country risk classification and coverage criteria based on predefined groupings, following a relatively standardised approach. The Circular revises Annex 9 to allow internal methodologies to reflect the actual economic risk of international exposures more accurately, recognising the growing overlap between country risk and geopolitical risk. This approach reduces the need to apply predefined groupings and parallel methodologies, while maintaining alternative solutions for institutions that do not use internal models.

3. Next steps

- With regard to the application of EU-IFRS 9 accounting changes, the amendments relating to electricity-referenced contracts, classification and measurement of financial assets, derecognition of liabilities at the payment order date and initial recognition of receivables will apply from **1 January 2026**, with transitional provisions allowing comparative information not to be restated.
- Changes to confidential financial statements will apply for the first time with reference to **31 March 2026** for monthly and quarterly statements, **30 June 2026** for semi-annual statements and **31 December 2026** for annual statements.
- Amendments relating to the coverage of credit risk by reason of country risk will apply with **30 June 2026** as the first reference date.

Q4 Relevant publications

UK

09/12/2025

C FCA - Policy statement 25/21: Simplifying the insurance rules



1. Context

Since 2024, the FCA has progressively advanced a programme to simplify and modernise the UK insurance conduct and product governance framework. During this period, the UK reinforced its position as a global hub for commercial insurance, while the FCA committed to streamlining rules to support growth, innovation and international competitiveness. This agenda was formalised through the FCA's January 2025 letter to the Prime Minister, where it pledged to reduce conduct requirements for wholesale insurance, followed by subsequent initiatives, including Feedback Statement (FS) 25/2 and Consultation Paper (CP) 25/12, focused on removing unnecessary or duplicative rules, clarifying customer classifications, and updating governance and disclosure obligations.

In this context, the FCA has published **Policy Statement (PS) 25/21: Simplifying the insurance rules**, which sets out the final rules following consultation CP25/12, introduces targeted amendments to the FCA's insurance conduct rules (ICOBS) and its product governance framework (PROD), and outlines further areas for simplification in 2026. The objective of this publication is to modernise the regulatory framework, increase proportionality for commercial insurance, enhance flexibility for firms in product governance and training obligations, and remove outdated or duplicative requirements while maintaining appropriate levels of consumer protection.

2. Main aspects

This PS 25/21 confirms the following key changes:

- Determining which rules apply to commercial insurance.** Previously, the FCA relied on the concept of large risks to determine when conduct rules did not apply, a framework that exempted certain specialist classes (aviation, marine, goods in transit, credit and suretyship) and large commercial policyholders who exceeded specific financial and employee thresholds. This approach often created uncertainty, especially in policies with multiple policyholders of different sizes. The FCA now introduces two clearer categories which simplify customer classification, align thresholds with the dispute resolution (DISP) eligible complainant definition, and ensure that protections remain focused on consumers and smaller commercial clients: i) larger commercial customers; and ii) the specialist risks contracts. The reform aims to remove ambiguity, promote proportionality, and give firms a more stable framework for assessing which conduct rules apply.
- Allowing a lead firm to take responsibility for product governance.** In CP25/12, the FCA noted that the existing framework made all co-manufacturers jointly responsible for the Product Intervention and Product Governance Sourcebook (PROD) 4, which often led to unclear accountability and unnecessary duplication. In PS25/21, the FCA introduces a new option to appoint a single lead firm, limited to insurers or managing agents, to assume sole responsibility for PROD 4 compliance, including liability for redress, while non-lead firms must cooperate and share necessary information. The FCA created this mechanism to streamline governance, reduce unnecessary burdens and provide clearer accountability, while preventing potential customer harm by excluding intermediaries from acting as lead firms due to concerns around oversight and access to claims data.
- Broadening and clarifying the bespoke contracts exclusion.** The FCA expands the tailor-made contracts exclusion so that both insurers and intermediaries can classify genuinely bespoke non-investment insurance contracts as outside the PROD requirements. This includes clarifying that the contract must be created specifically for a customer's unique needs and not marketed more broadly. Previously, this exclusion applied only to intermediaries, which created inconsistency and uncertainty in determining when a bespoke contract was truly out of scope.
- Allowing firms to determine the frequency of product reviews.** The previous requirement for mandatory 12-month review cycle has been removed. Firms must now determine the frequency of product reviews based on the product's potential for customer harm, supported by a documented rationale and information sharing within the distribution chain when requested. This gives manufacturers and distributors greater flexibility to tailor review intervals to the product's risk profile.
- Removing notification and reporting requirements for employers' liability.** The FCA removes the former employers' liability notification and annual reporting requirements from the Supervision Manual (SUP) and consolidates the streamlined obligations within ICOBS 8, while maintaining the need for firms to obtain a director's certificate and an auditor's report by 31 August each year. This revision simplifies reporting processes and aligns all employers' liability-related compliance within a single section of the

Handbook. Before this change, firms were required to notify the FCA separately and submit annual reports under SUP, creating duplicated obligations and operational complexity.

- **Removing the mandatory minimum of 15 Continuing Professional Development (CPD) hours for staff.** Under the previous framework, firms had to evidence a fixed minimum of 15 hours of CPD per year for staff involved in insurance distribution, a rigid threshold that did not always reflect the diversity of roles across the sector. The FCA removes this prescribed minimum and gives firms flexibility to set training expectations under the Senior Management Arrangements, Systems and Controls sourcebook (SYSC), allowing CPD requirements to be tailored to the competencies and responsibilities of each role. CPD remains mandatory, but firms may determine the appropriate level and format, while professional body standards such as the Chartered Insurance Institute's (CII) 35-hour requirement continue to apply independently.

3. Next steps

- Consultation on disapplying the Consumer Duty to non-UK business by the end of **Q2 2026**, including review of the international scope of ICOBS and PROD.
- Review of core definitions in 2026, to enhance consistency and clarity across the FCA Handbook.
- Assessment of data submitted by firms between January and March 2026, with potential further reporting simplifications to be consulted on during 2026, particularly in relation to general insurance pricing returns.

16/12/2025

T FCA - Consultations on cryptoasset regulation in UK



1. Context

The rapid development of crypto-asset markets and their growing interconnection with the traditional financial system have highlighted the need to establish coherent regulatory frameworks that strengthen consumer protection, market integrity and the resilience of entities, while promoting innovation. In the United Kingdom, this approach is part of a broader strategy to create a comprehensive regulatory regime for crypto-assets, aligned with international standards and with a clear risk-based approach.

In this context, the FCA has published **three public consultations** which, together, form the main pillars of the **regulatory framework for crypto-assets in the United Kingdom**. The proposals cover the regulation of market activities, admission and disclosure regimes, and market abuse, as well as a specific prudential regime for entities in the sector, with the aim of raising market standards, strengthening participant confidence and ensuring a level playing field.

2. Main aspects

The published consultations develop the various components of the new regulatory framework for cryptoassets in the United Kingdom, structured around the following areas:

- **Regulatory framework for cryptoasset-related activities (CP25/40).** This document introduces a structured regulatory framework for cryptoasset activities in the United Kingdom, defining the scope of activities subject to authorisation and supervision. It establishes specific requirements for cryptoasset trading platforms, including rules on organisation, operation and reporting obligations, as well as rules of conduct applicable to intermediaries providing cryptoasset-related services. It also incorporates transparency obligations towards the market and customers and specific protection provisions for retail customers, significantly expanding the level of regulatory requirements applicable to the sector. The aim is to introduce a coherent set of common minimum standards that improve market transparency and proper functioning, strengthen consumer protection and enable innovation to develop within a regulated environment.
- **Admission, disclosure and market abuse regime for crypto-assets (CP25/41).** The admission and disclosure regime applicable to the public offering of crypto-assets and their admission to trading is developed, together with a specific market abuse regime for crypto-assets. The proposals on disclosure seek to improve the quality, consistency and accessibility of the information available to market participants, covering the characteristics, risks and rights associated with crypto-assets. In addition, the market abuse regime introduces prohibitions and obligations aimed at preventing and detecting conduct such as insider trading or market manipulation, thereby strengthening the integrity of cryptoasset markets.
- **Prudential regime for cryptoasset entities (CP25/42).** The introduction of a specific prudential regime for all crypto-asset entities that must be authorised is proposed. The measures include minimum capital requirements, risk management expectations and public disclosure obligations for prudential information, with the aim of strengthening the financial resilience of entities and mitigating risks for both consumers and the financial system as a whole. The regime extends the regulatory perimeter to new activities and constitutes a fundamental pillar of the prudential framework applicable to the sector.

3. Next steps

- The three public consultations will remain open for comments until **12 February 2026**.
- Following analysis of the responses received, the FCA plans to publish the final rules and guidance in the course of **2026**.
- Entities operating or planning to operate with cryptoassets in the United Kingdom should anticipate the impact of these proposals on their business models, governance structures, prudential frameworks and disclosure obligations, with a view to the future implementation of the new regulatory regime.

13/11/2025

S FRC - ISSA (UK) 500 General Requirements for Sustainability Assurance Engagements



1. Context

For several years, the FRC has acted as the regulatory body and standard-setter in the UK for auditing, assurance, and governance. In a context of growing demand for reliable sustainability information from investors and other stakeholders, the FRC has been promoting frameworks and guidance to improve the quality of reporting and assurance of non-financial information. For example, in March 2024, the FRC launched an initial market study on the UK sustainability assurance market.

In this context, the FRC has published **the International Standard on Sustainability Assurance (ISSA) 5000 (UK) on general requirements for sustainability assurance engagements**. This is a national standard aligned with the International Auditing and Assurance Standards Board (IAASB) and referencing the international sustainability standards developed by the International Sustainability Standards Board (ISSB). Its objective is to strengthen consistency, confidence, and transparency in sustainability assurance work in the UK.

2. Main aspects

The most relevant points of the new standard, affecting sustainability assurance engagements, are:

- **Users of the standard.** It is designed to be applicable to any assurance provider, including financial auditors and other qualified professionals. It helps standardize professional practice, ensuring that all providers follow similar criteria when assessing sustainability information. In addition, it promotes broad and consistent adoption of the standard across different sectors and types of entities, enhancing the comparability and reliability of reported information.
- **Principles and quality requirements.** It incorporates principles equivalent to those in auditing: i) independence; ii) professional judgment; iii) obtaining sufficient evidence; and iv) full documentation. The standard establishes specific procedures for quality control, including planning, supervision, review, and documentation of the work performed. It emphasizes obtaining appropriate evidence regarding sustainability assertions, ensuring that reports are reliable and verifiable for investors and other users.
- **Adaptations to other FRC standards.** It includes amendments to other FRC assurance standards, ensuring that sustainability engagements are integrated coherently with the existing regulation on auditing and financial assurance. This facilitates regulatory and methodological consistency, reducing potential conflicts or duplication across different regulatory frameworks.

3. Next steps

- It will apply to sustainability assurance engagements covering periods starting on or after **15 December 2026**.
- The standard can be adopted voluntarily from its publication date.

03/12/2025

S PRA - Policy statement 25/25 updating supervisory statement 3/19**1. Context**

The PRA has progressively strengthened its supervisory framework for financial risks arising from climate change. The first step was the publication of SS 3/19, applicable since 2020, which set out the initial expectations on governance, integration of climate risk into risk management frameworks, the use of scenario analysis, and disclosures. This was subsequently complemented by the Climate Biennial Exploratory Scenario (CBES), a biennial exploratory exercise conducted by the Bank of England (BoE) assessing how banks and insurers would respond to various climate-related risk scenarios. It was followed by supervisory letters and thematic reviews, which showed uneven progress across firms. In addition, in 2024, the PRA launched a public consultation to update and strengthen these expectations, receiving comments from banks, insurers, industry associations and other stakeholders. Many of them requested greater methodological clarity, proportionality in data requirements, and more explicit guidance on what constitutes adequate integration of climate risk into prudential frameworks.

In this context, the PRA has published **PS 25/25, which updates SS 3/19 by enhancing banks' and insurers' approaches to managing climate-related risks**. With this, the PRA formally closes the public consultation and incorporates adjustments derived from the responses received, with the aim of updating and clarifying how physical and transition risks should be identified, measured, managed and mitigated. The PS also strengthens supervisory expectations on governance, methodologies, data requirements and the internal use of scenarios, providing a more consistent framework for banks and insurers.

2. Main aspects

PS 25/25 introduces a number of changes compared with SS 3/19:

- **More developed proportional application and guidance on how to determine it.** PS 25/25 introduces a more explicit proportionality framework, including a new section of overarching objectives that clarifies how the intensity of expectations should be calibrated according to a firm's material climate-risk exposure and business complexity. This level of detail did not appear in SS 3/19.
- **Use of existing governance structures permitted.** The PRA clarifies that firms may integrate climate-related responsibilities within their existing governance frameworks, provided risk management remains robust. It also confirms that there is no requirement to create a new Senior Management Function specifically for climate, correcting interpretations not intended in SS 3/19.
- **More flexible treatment of risk registers and risk appetite.** PS 25/25 clarifies that climate-related risks may be incorporated into existing risk registers or sub-registers, and that the level of granularity in identifying combinations of transmission channels and risk types is a matter of judgement. It also confirms that the accept, manage, avoid categorisation is a suggestion rather than a prescribed format, introducing greater flexibility than in SS 3/19.
- **Recognition of litigation risk as a potentially independent transmission channel.** The PRA acknowledges that climate-related litigation may materialise independently and allows firms to treat it as a distinct transmission channel where appropriate. SS 3/19 subsumed this risk under physical or transition risks, so this represents a meaningful evolution.
- **Expanded expectations for climate scenario analysis.** PS 25/25 provides greater clarity on the design, selection and use of scenarios, allowing a mix of narrative-based and mathematically sophisticated approaches depending on exposure. It also introduces flexibility regarding the number of scenarios per use case and clarifies the applicability of reverse stress testing and sensitivity analysis, representing a significant expansion relative to SS 3/19.
- **Strengthened proportionality principles and time-horizon criteria for scenario analysis.** The PS clarifies that scenarios should be tailored to risk materiality and that time horizons may combine short-term impacts with longer-term pathways. It also makes explicit that long-term strategic analysis may rely more on narrative scenarios than on precise quantification, an orientation not previously included.
- **Updated approach to data management, uncertainty and proxies.** PS 25/25 replaces the former expectation to quantify data uncertainty with an expectation to understand it and clarifies that firms are not required to use conservative proxies but rather appropriate ones, while being aware of their limitations. This adjustment reduces prescriptiveness and reflects a significant evolution from SS 3/19.
- **Strengthened expectations for engagement with clients, counterparties and data providers.** The PRA confirms that third-party data providers may be used but requires that material data gaps be addressed through alternative approaches such as proxies, approximations or, where relevant, direct engagement. This level of practical guidance was not detailed in SS 3/19.
- **Clarifications on operational resilience in the context of climate risks.** The PS refines the language to avoid interpretations implying expectations of absolute disruption prevention. It clarifies that firms are expected to manage risks affecting operational resilience but not necessarily remain within impact tolerances under extreme or implausible scenarios.

- **Banking-specific updates: integration into ICAAP and ILAAP.** The PRA clarifies that climate scenario horizons in ICAAP and ILAAP may be aligned with standard processes, complemented by longer-term scenarios for strategic purposes. It also details how firms should evidence the materiality or immateriality of climate risks in these processes, going beyond the guidance included in SS 3/19.
- **Insurance-specific updates: Solvency Capital Requirement (SCR), internal models and the regulatory balance sheet.** PS 25/25 clarifies that the SCR already allows climate risks to be incorporated without creating new capital categories, and specifies how they may act as risk drivers within internal models. It also clarifies the treatment of internal ratings and adjustments to the Fundamental Spread when climate risks are not adequately reflected, as well as how to consider market prices that may understate climate-related risks.

3. Next steps

- PS 25/25 entered into force on **3 December 2025**. During the following six months, firms must conduct a self-assessment of their level of compliance, identify gaps and develop a credible plan to address them, with the PRA not requiring evidence until this period concludes.

Q4 Relevant publications

USA

20/10/2025



S FDIC - Rescission of Principles for Climate-Related Financial Risk Management

1. Context

working together to define common principles for managing climate-related financial risk in large institutions. These principles, finally published in October 2023, established supervisory expectations for banks with assets exceeding US\$100 billion, focusing on the integration of climate risks into governance, risk management, and planning processes.

In this context, the three agencies—OCC, Fed, and FDIC—have announced the **rescission of the interagency guidance on principles for managing climate-related financial risks for large financial institutions**. The stated goal is to prevent these guidelines from diverting attention away from other material risks already covered by existing prudential management frameworks.

2. Main aspects

The joint decision by the agencies includes the following key elements:

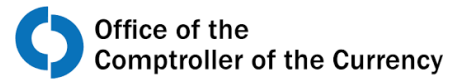
- **Scope of application of the withdrawn principles.** The principles were aimed at financial institutions with more than \$100 billion in consolidated assets, including national banks, federal savings associations, and systemically important entities supervised by the Fed.
- **Reason for withdrawal.** The agencies believe that existing prudential standards already require all institutions to have effective risk management processes commensurate with their size and complexity. Consequently, they conclude that it is not necessary to maintain specific guidance on climate risks, as this could distract from the management of other relevant risks covered by existing regulations.
- **No new obligations or prohibitions are created.** The withdrawal does not prevent entities from considering climate risks in their internal frameworks, nor does it introduce new requirements. It simply eliminates the 2023 interagency guidance, without creating additional rights or obligations.

3. Next steps

- The termination takes effect from the date of its publication in the Federal Register.

25/11/2025

S OCC - Final rule amending eSLR and related regulatory capital standards



1. Context

Since the adoption of Basel III in the United States through the joint rules issued by the OCC, the Federal Reserve (FED), and the Federal Deposit Insurance Corporation (FDIC), global systemically important bank holding companies (GSIBs) have been subject to a leverage framework composed of the Supplementary Leverage Ratio (SLR) and an additional, reinforced requirement known as the enhanced Supplementary Leverage Ratio (eSLR). The latter functions as a risk-insensitive capital buffer intended to ensure that institutions maintain a minimum level of capital even against exposures considered low risk. Over time, however, various market participants have noted that the eSLR can become overly restrictive, at times acting as the binding capital constraint for traditionally safe activities such as U.S. Treasury intermediation, with potential effects on market liquidity.

In this context, the OCC, the FED, and the FDIC have **published the final rule amending certain regulatory capital standards**. Its objective is to adjust the eSLR requirements to reduce their restrictive nature and improve the efficient allocation of capital to low-risk activities, without compromising the eSLR's role as a backstop to risk-based capital requirements.

2. Main aspects

The main amendments introduced by the final rule published on certain regulatory capital standards are:

- **Modification of the eSLR standard.** The final rule updates the eSLR standard after reviewing the proposed calibration and the comments received, adjusting how this requirement is determined for both GSIB holding companies and their depository institution subsidiaries. For holding companies, the level of the requirement is recalibrated to achieve a more balanced standard, while for depository institutions the calibration is revised and the design of the standard is modified, shifting from a fixed requirement to a capped additional component. In addition, under the new rule, covered depository institutions must maintain the eSLR buffer in addition to the minimum SLR of 3% to avoid restrictions on capital distributions and certain discretionary bonus payments. Likewise, insured depository institutions must maintain that minimum SLR to be considered adequately capitalized under the prompt corrective action framework, which classifies institutions into capital categories and applies increasingly stringent restrictions as their capital levels deteriorate.
- **Corresponding adjustments to Total Loss-Absorbing Capacity (TLAC) and long-term debt (LTD) requirements.** Because the TLAC and LTD requirements are partially based on leverage measures, the final rule introduces technical updates to align them with the changes implemented to the eSLR. These revisions do not alter the general structure of the TLAC framework nor the existing thresholds—which remain at a minimum of 6% leverage exposure for TLAC and a minimum of 4.5% leverage exposure for LTD but they do update the components that depend on leverage ratios to prevent interpretative inconsistencies or misalignments across prudential requirements. The objective is to ensure regulatory consistency and avoid divergences or inconsistencies between the eSLR adjustments and the existing TLAC framework.

3. Next steps

- The final rule will enter into force on **April 1, 2026**, with optional early adoption of the modified eSLR standards permitted from **January 1, 2026**.

Q4 Relevant Publications

Brazil

06/11/2025

S BCB - Public consultation on a regulatory proposal launching the second
D phase of the GRSAC Report



1. Context

Since 2021, the BCB has required financial institutions to publish the GRSAC Report. This requirement is part of the sustainability dimension of the BC Agenda, launched in 2020, which aims to incorporate environmental, social, and climate factors into prudential regulation and risk management within the Brazilian financial system. The introduction of the GRSAC marked a milestone in the sector's transparency by requiring institutions to disclose structured qualitative information on governance, strategies, and processes related to these risks.

In this context, the BCB has opened a **public consultation on a regulatory proposal launching the second phase of the GRSAC Report**. The proposal aims to broaden the scope and enhance the quality of the information disclosed by financial institutions through the incorporation of quantitative metrics and the improvement of qualitative requirements, to strengthen transparency and align the Brazilian framework with international standards set by the International Sustainability Standards Board (ISSB) and the Basel Committee on Banking Supervision (BCBS). The requirements vary according to the prudential segment of the institutions (S1 to S4), as defined by the BCB based on their size, complexity, and systemic relevance.

2. Main aspects

The proposal under consultation introduces new elements aimed at strengthening the scope and quality of the information disclosed. Notably, the following elements stand out:

- **Expansion of the report's scope.** The proposal extends the content of the GRSAC Report by introducing new standardized tables with quantitative data on metrics and targets related to social, environmental, and climate risks, to strengthen comparability and transparency among institutions.
- **Revision of qualitative requirements.** The qualitative tables introduced in 2021 have been refined to enhance information on governance, strategy, and risk management processes, as well as on transition plans and sustainability commitments adopted by institutions.
- **Inclusion of new risk categories.** The framework introduces specific tables for climate transition risk, exposures in the agricultural and energy sectors and for physical risk, which includes drought and heavy rainfall scenarios, along with metrics on social and environmental risks.
- **Differentiated treatment by type of information.** The disclosure of the business opportunities table remains optional, while tables related to voluntary commitments (national or international) will become mandatory for institutions that have signed such commitments.

3. Next steps

- The public consultation period will remain open until **February 13, 2026**.
- The new resolution will enter into force on **January 1, 2027**, and will initially apply to institutions in segments S1 and S2. Institutions classified in segments S3 and S4 will be required to comply with the new requirements as of **December 31, 2028**.

28/11/2025



BCB - Joint resolution providing for the provision of BaaS by financial entities, payment entities, and other entities authorised to operate



1. Context

Over recent years, the BCB has prioritized strengthening the framework for open finance and integrated financial services, with the aim of enhancing competition, interoperability, and consumer protection. This agenda gained momentum with Joint Resolution No. 1/2020, which launched Open Finance by standardizing the exchange of data and services, customer consent, and technical governance among participants. As part of this effort, Law No. 12,865/2013 integrated payment arrangements and entities into the Brazilian Payment System (SPB), while Resolution No. 4,935/2021 updated the regime for in-country correspondents, clarifying responsibilities and contracting limits. This regulatory evolution responds to repeated requests from supervisors and the market to streamline legal and administrative frameworks, enabling third parties to offer integrated financial products with clear rules on responsibility and transparency.

In this context, the BCB has **approved Joint Resolution No. 16/2025, which regulates the BaaS model and sets a clear framework for the provision of integrated financial services by third parties**. The resolution's objective is to define responsibilities between the financial entities and the third party, ensure customer transparency (identification of the regulated provider), standardize governance and supervision, and reduce operational and conduct risks in integrated offerings. By organizing contracts, limiting opaque structures, and aligning interoperability with Open Finance and the SPB, the rule seeks to protect consumers, provide legal certainty to the market, and preserve system integrity.

2. Main aspects

This publication summarizes the key elements of Joint Resolution No. 16/2025 on BaaS:

- **Customer transparency.** Interfaces and materials must clearly identify the financial institution responsible for the product/service, avoiding confusion about who assumes regulatory obligations.
- **Governance and supervision.** Sets requirements for internal governance, risk management, operational controls, and traceability of operations carried out through third parties, with supervisory powers and evidentiary requirements.
- **Mandatory manuals.** Introduces monitoring and customer-experience manuals with minimum contents (customer life cycle, pre-contractual information, customer care and complaints) to ensure homogeneous standards across the chain.
- **Dispute resolution.** Requires a platform and clear procedures to handle complaints and disputes, with defined response times and escalation.
- **Contractual limitations.** Prevents opaque structures by restricting multiple contracts for the same type of account or service between the same third party and several institutions, reducing complexity and operational risk.
- **Commercial communication and designations.** Prohibits third parties from presenting themselves as financial institutions when they are not, and regulates the use of designations, brands, and messages to avoid misleading consumers.
- **Interoperability and data.** Aligns the model with open finance, promoting standards for the exchange of data and services through secure interfaces with informed consent.
- **Monitoring and reporting.** Imposes periodic information duties on the financial institution regarding the third party's performance (operational, conduct, and service quality), with remediation plans for non-compliance.

3. Next steps

- The resolution entered into force on **28 November 2025**.
- Entities with contracts in force upon the entry into effect of the resolution must fully adapt them to the new requirements **by 31 December 2026**.

28/11/2025



BCB - Joint Resolution No. 18/2025, which establishes the quality policy for information provided by financial entities and other entities authorized to operate by the BCB



1. Context

In recent years, the BCB has strengthened its data governance and information quality agenda as part of its risk-based supervision strategy. This approach includes initiatives to improve the integrity, consistency, traceability, and reliability of data reported by financial institutions, given its critical role in financial stability and regulatory decision-making. In this vein, Joint Resolution CMN No. 4,968/2021 had established initial obligations regarding the quality and governance of reporting to the supervisor, but its scope was limited considering current needs.

In this context, the BCB and the CNM have approved **Joint Resolution No. 18/2025, which establishes the quality policy for information provided by financial entities and other entities authorized to operate by the BCB**, setting a technical and governance framework to ensure that the information reported to the supervisor is complete, accurate, reliable, traceable, and provided with adequate levels of control. The resolution defines essential quality criteria, management responsibilities, validation and remediation mechanisms, and rules for the management and reporting of irregularities.

2. Main aspects

This publication summarizes the key elements of Joint Resolution No. 18/2025:

- **Mandatory information quality policy.** Entities must implement and maintain a formal policy that ensures the quality of all data, documents, and information sent to the BCB, complying with attributes such as accuracy, integrity, consistency, traceability, relevance, and confidentiality. The resolution updates and replaces previous provisions of Joint Resolution CMN No. 4,968/2021 to consolidate a single framework on information quality.
- **Essential quality criteria.** The policy must include procedures for capturing, recording, validating, reconciling, storing, updating, and internally disclosing information, as well as mechanisms for detecting and correcting errors, maintaining data dictionaries, and ensuring that reports accurately reflect operational reality.
- **Governance and internal responsibilities.** The board of directors and senior management must actively participate in the implementation, annual review, oversight, and continuous improvement of the policy. The appointment of a director responsible to the BCB and the performance of periodic tests on the quality of the information are required.
- **Resources and technical capabilities.** Entities must have sufficient human and technological resources, adopt tools for data management and monitoring, ensure access controls, protect the integrity and availability of information, and document all related processes.
- **Detection and correction of deficiencies.** The policy must provide for mechanisms to identify irregularities, establish action plans, set deadlines for correction, and document the measures taken. The BCB may require revisions, reject information submitted, determine adjustments, and request the replacement of incorrect data.
- **Supervision and prerogatives of the BCB.** The supervisor may evaluate the quality of internal processes, request additional documentation, order operational improvements, require the revision of models and systems associated with the generation of information, and determine the replacement of reports.

3. Next steps

- Entities must implement all requirements and adjust processes, systems, and controls by **December 31, 2026**.
- The resolution comes into force on **January 1, 2026**.

05/12/2025

CL BCB - Resolution on the submission of quantitative information for the ICAAP,
D the ICAAP-Simp, and stress tests using scenarios provided by the BCB



1. Context

The Brazilian prudential framework requires entities to maintain ICAAP processes, defined by National Monetary Council (CMN) Resolution No. 4,557/2017, which establishes the risk and capital management framework, and operationalized by BCB Circular No. 3,846/2017, which details procedures and parameters for their calculation and submission to the BCB. In addition, application is proportional according to prudential segmentation, so that entities in Segment 1 (S1) maintain the full ICAAP and those in Segment 2 (S2) may apply the simplified ICAAP (ICAAP-Simp), incorporating supervisor-defined stress scenarios where applicable.

In this context, the BCB has **published Resolution No. 527/2025 on the submission of quantitative information for ICAAP, ICAAP-Simp, and stress tests using BCB-provided scenarios**, with the aim of strengthening the consistency and comparability of supervised prudential information.

2. Main aspects

This publication summarizes the key elements on the submission of quantitative information for ICAAP, ICAAP-Simp, and stress tests using scenarios provided by the BCB:

- **Scope of application.** Applies to financial entities and other entities authorized by the BCB classified as S1 or S2. The cited prudential segmentation ranks entities by size, complexity, and systemic relevance: S1 groups those with greater scale and/or systemic importance (more complex operations and significant volume), while S2 includes large and relevant entities, but one tier below S1 in complexity or aggregate risk. It does not apply to development agencies or consortium administrators.
- **Content to be submitted.** For S1 entities, quantitative ICAAP information must be submitted in accordance with BCB Circular No. 3,846/2017, which sets the procedures and parameters governing calculation and submission to the Central Bank (definitions, measurement formulas/criteria, and presentation requirements). For S2 entities, quantitative ICAAP-Simp information must be submitted under the same Circular, applying the procedures and parameters provided for the simplified version (the same operating framework, with proportional requirements for calculation detail and information presentation). In both cases, submission must follow the formats and consistency/validation rules indicated by the Circular and by BCB instructions.
- **Stress tests.** S1 and S2 must submit to the BCB the results of stress tests carried out with scenarios provided by the BCB; submission will follow the operational instructions set by the BCB, and entities must retain for five years the information submitted and the documentation of the methodology and assumptions used.
- **Frequency and horizon.** Annual calculation with 31 December as the reference date and a minimum horizon of 3 years; the BCB may require other reference dates.
- **Consolidation and accountable officer.** Submission on a consolidated basis by the lead entity of the prudential conglomerate (where applicable) and appointment of a director responsible for the information submitted; retention of data and methodologies for 5 years.
- **Cooperative systems.** When the power provided in CMN Resolution No. 5,223/2025 is exercised, lead banks/cooperatives must also consolidate and submit ICAAP-Simp information for the respective cooperative system.

3. Next steps

- The provisions are in force as from publication on **3 December 2025**.
- As of **1 July 2026**, specific obligations under Arts. 3 (sole paragraph) and 6 (caput, III, and sole paragraph, II) take effect: when the lead entity of a cooperative system (cooperative bank, confederation, central cooperative, or single cooperative) exercises the power under Art. 4 of CMN Resolution 5,223/2025, it must also submit quantitative ICAAP-Simp information consolidating all credit cooperatives in the system (Art. 3, sole paragraph); in addition, that lead entity is expressly identified as the party obligated to submit (Art. 6, caput, III) and must start submission immediately after the BCB authorization enabling the exercise of that power (Art. 6, sole paragraph, II).

Q4 Relevant Publications

Chile

27/10/2025



CL CMF - Regulatory report prior to the second consultation on amendments to the RAN, CNC, and NCG within the framework of Basel III

1. Context

The CMF has been implementing the Basel III standards since the enactment of Law No. 21,130 of 2019, which modernized Chilean banking legislation. Within this framework, the CMF has issued various regulations to strengthen the capital adequacy regime and risk management of the banking system, incorporating progressive adjustments to the RAN, CNC, and related NCG. Between April and June of this year, a public consultation was launched on the modification of: i) Chapters 8-4, 8-40, 12-3, 21-1, 21-6, 21-7, and 21-30 of the RAN; ii) Chapters B-6 and B-7 of the CNC; and iii) the proposed regulation in Chapter 21-10; and NCG Nos. 303 and 451. During this process, a wide range of comments were received, which, after being analyzed by the CMF, led to significant changes to the initial proposal.

In this context, the CMF has published a **regulatory report prior to the second consultation on amendments to the RAN, CNC, and NCG within the framework of Basel III**, with the aim of presenting the main changes introduced after the first consultation, carried out earlier this year, and gathering new market observations to refine the implementation of the Basel III framework, promote repo and securitization markets, and incorporate the prudential treatment of derivatives and credit insurance.

2. Main points

The regulatory report contains the following main aspects:

- **Diagnosis.** A detailed analysis of the relevant markets is presented, identifying the main regulatory challenges: repos, which have limited depth compared to other jurisdictions and require a clear framework for capital calculation and collateral management; securitizations, considered a relevant mechanism for financing and risk management; and derivatives and credit insurance, which are in their infancy in Chile and require the definition of their prudential treatment. The alignment with the BCBS international standards and recent regulatory developments in the United Kingdom (UK) is highlighted.
- **First regulatory proposal in public consultation.** The first version, consulted in April 2025, included three main areas: the reduction of credit risk weights (CRW) for repo transactions to 10% or 0% under certain conditions; adjustments to the treatment of securitizations, including the elimination of the 1,250% CRW and netting mechanisms to avoid double counting; and the recognition of derivatives and credit insurance as risk mitigation instruments. The proposal was presented through a Circular and an NCG.
- **Proposal after public consultation.** The new proposal incorporates substantive adjustments grouped by market. With regard to repos, the legal and tax conditions are specified, the eligible counterparties for PRC 0% are expanded, and the possibility of multiple sales of collateral is incorporated, adjusting chapters 12-3 of the Updated Compilation of Regulations (RAN) and B-6/B-7 of the CNC to harmonize accounting and prudential treatment. In securitizations, the concept of significant risk transfer (SRT) is introduced, according to the EBA, and the criteria for its determination are specified, maintaining incentives for self-securitizations and reviewing the simple, transparent, and comparable (STC) criteria. In derivatives and credit insurance, their recognition as credit risk mitigants is confirmed, specifying conditions for their eligibility and calculation in credit risk-weighted assets (CRWA).
- **New proposed regulations.** Specific regulatory changes to the chapters of the RAN, CNC, and NCG are detailed, incorporating revised definitions and technical adjustments derived from the consultation process. These amendments seek to strengthen the internal consistency of the prudential framework and align national provisions with Basel III standards and international practices.
- **Regulatory impact analysis.** A preliminary assessment of the expected effects of the amendments is presented, concluding that they will allow for a more proportionate and efficient application of capital requirements, promoting the liquidity and stability of the financial system without compromising the prudential soundness of the current framework.

3. Next steps

- The consultation will be open until **November 18, 2025**.

27/10/2025

CL CMF - Regulatory Report on the requirement associated with liquidity monitoring for insurance companies and the creation of the MSI Seguros



1. Context

In recent years, the CMF has made progress in modernizing its supervisory tools, particularly in relation to financial risk monitoring. In the banking sector, for example, periodic liquidity reports with a forward-looking approach have been implemented, and in the fund industry, information requirements have been standardized. Within this framework, the CMF has identified the need to apply similar criteria to the insurance sector, given the uncertain nature of its obligations and the complexity of its cash flows.

In this context, the CMF has published the **Regulatory Report on the requirement associated with liquidity monitoring for insurance companies and the creation of the MSI Seguros**. The objective of this regulatory proposal is to establish a new periodic liquidity reporting requirement that improves the measurement of inherent liquidity risk in insurers and aligns with international best practices. In addition, it introduces the first version of the MSI Seguros, which aims to centralize current information requirements within a unified regulatory framework.

2. Main points

The regulatory report contains the following main aspects:

- **Diagnosis.** A detailed analysis of the relevant markets is presented, identifying the main regulatory challenges: repos, which have limited depth compared to other jurisdictions and require a clear framework for capital calculation and collateral management; securitizations, considered a relevant mechanism for financing and risk management; and derivatives and credit insurance, which are in their infancy in Chile and require the definition of their prudential treatment. The alignment with the BCBS international standards and recent regulatory developments in the United Kingdom (UK) is highlighted.
- **First regulatory proposal in public consultation.** The first version, consulted in April 2025, included three main areas: the reduction of credit risk weights (CRW) for repo transactions to 10% or 0% under certain conditions; adjustments to the treatment of securitizations, including the elimination of the 1,250% CRW and netting mechanisms to avoid double counting; and the recognition of derivatives and credit insurance as risk mitigation instruments. The proposal was presented through a Circular and an NCG.
- **Proposal after public consultation.** The new proposal incorporates substantive adjustments grouped by market. With regard to repos, the legal and tax conditions are specified, the eligible counterparties for PRC 0% are expanded, and the possibility of multiple sales of collateral is incorporated, adjusting chapters 12-3 of the Updated Compilation of Regulations (RAN) and B-6/B-7 of the CNC to harmonize accounting and prudential treatment. In securitizations, the concept of significant risk transfer (SRT) is introduced, according to the EBA, and the criteria for its determination are specified, maintaining incentives for self-securitizations and reviewing the simple, transparent, and comparable (STC) criteria. In derivatives and credit insurance, their recognition as credit risk mitigants is confirmed, specifying conditions for their eligibility and calculation in credit risk-weighted assets (CRWA).
- **New proposed regulations.** Specific regulatory changes to the chapters of the RAN, CNC, and NCG are detailed, incorporating revised definitions and technical adjustments derived from the consultation process. These amendments seek to strengthen the internal consistency of the prudential framework and align national provisions with Basel III standards and international practices.
- **Regulatory impact analysis.** A preliminary assessment of the expected effects of the amendments is presented, concluding that they will allow for a more proportionate and efficient application of capital requirements, promoting the liquidity and stability of the financial system without compromising the prudential soundness of the current framework.

3. Next steps

- The consultation will be open until **November 18, 2025**.

30/10/2025



D CMF - Draft regulation on the presentation of financial statements by insurance companies

1. Context

The legal framework applicable to the presentation of financial statements by supervised entities is defined in the Securities Market Law, the Corporations Law, Decree with Force of Law No. 251, which regulates the activity of insurance companies, and Decree Law No. 3,538, which creates the CMF. These provisions empower the CMF to require its supervised entities to provide legal, economic, and financial information, determine the accounting principles according to which they must keep their accounts, and establish the rules for the preparation and presentation of financial statements. They also require securities issuers and insurance companies to submit audited financial statements, which must be made available to shareholders, investors, and the public. In this context, the CMF has published the draft regulation on the presentation of financial statements by insurance companies, with the aim of requiring the International Financial Reporting Standards (IFRS) exclusively for national insurance and reinsurance companies, hereinafter referred to as insurers, that have securities listed. The main aspects

In this context, the CMF has published a **draft regulation on the presentation of financial statements by insurance companies**, with the aim of requiring the International Financial Reporting Standards (IFRS) exclusively for domestic insurance and reinsurance companies, hereinafter referred to as insurers, that have securities registered in the Securities Registry, as well as for insurers that must consolidate their financial statements with their parent companies that issue securities, with the exceptions established for the annuity business line.

2. Main points

The draft regulation contains the following main aspects:

- **Scope and regulated entities.** The proposal establishes the mandatory application of IFRS standards for domestic insurance and reinsurance companies that have securities listed on the Securities Registry, as well as for those that must consolidate their financial statements with parent companies that issue securities. The obligation does not extend to the annuity segment, which continues to be subject to the accounting exceptions currently in force with respect to reserves and the fixed-income assets that back them.
- **Implementation of IFRS 17.** Obligated entities must prepare their financial statements in accordance with IFRS 17 for the accounting of insurance contracts. In the case of life insurance companies, the exception to apply IFRS 9 to fixed-income assets backing annuities remains in place, in view of the high equity volatility evidenced by the CMF in the impact studies carried out.
- **Regulatory amendments.** The proposal introduces changes to General Regulation (NCG) No. 30 of 1989, which regulates the procedure for registration and ongoing reporting obligations of securities issuers, incorporating the obligation to present financial statements under IFRS for insurers and reinsurers that apply for or maintain securities registration, as well as for those that consolidate with insurance subsidiaries. Likewise, Circular No. 2022 of 2011, which establishes the form, content, and presentation of the financial statements of insurance and reinsurance companies, is amended to add the requirement to submit to the CMF financial statements prepared under IFRS in accordance with the provisions for securities issuers.
- **Expected impact.** The CMF expects the measure to generate greater comparability between the financial statements of securities issuers and their insurance subsidiaries, and a more accurate representation of the economic value of insurance contracts. Costs associated with the adaptation of accounting systems, training, and auditing are anticipated, although their scope is limited to one general insurance company that issues securities and seven issuers required to consolidate with insurers.

3. Next steps

- The regulation will come into force in **fiscal year 2028**, and the first presentation of financial statements under IFRS must be made in **2029**, corresponding to the end of fiscal year 2028. In this first presentation, companies will be exempt from providing comparative information with the previous fiscal year.

21/11/2025

D CMF – Modification of the Fund Information System

1. Context

The CMF has been progressively updating the reporting obligations applicable to general fund administrators (AGFs) with the aim of modernizing supervisory standards, strengthening the quality of the data submitted, and aligning the requirements with the operating systems of the Central Bank of Chile, especially with the Integrated Derivatives Transaction Information System (SIID). In this process, NCG No. 532 has been the central instrument regulating the content, format, and procedures of the Fund Information System Manual.

In this context, the CMF has published **NCG No. 554**, which introduces extensive modifications to NCG No. 532 on the Fund Information System with the purpose of updating regulatory files, incorporating new forms and tables, strengthening validation standards, and establishing direct alignments with the Central Bank's SIID.

2. Main points

The NCG contains the following main modifications:

- **Comprehensive update of regulatory files FONDOS01 to FONDOS07.** The CMF completely replaces the contents of the regulatory files in Annex No. 2 of NCG No. 532, incorporating new structures and fields, greater data granularity, adjustments to submission deadlines, and detailed standardization of reports for instruments, derivatives, expenses, participants, equity, valuations, and capital reductions.
- **New derivative reporting obligations aligned with the Central Bank's SIID.** A new Section IV is incorporated into NCG No. 532, which requires AGFs to electronically report to the Central Bank all derivative transactions involving currency, inflation, rates, equities, fixed income, and commodities. They must also send the CMF, via the FONDOS02 file, the identification of each contract reported to the SIID. These obligations apply to bank and non-bank subsidiary administrators.
- **Inclusion of new forms and tables in the Fund Information System Manual.** The regulation incorporates the new form on the requirement for information on collateral and adds six new reference tables (Tables No. 1 to No. 6) relating to fund classes, risk classifications, transactions, types of participants, among others. These tables become part of the MSI's Compendium of Forms and Compendium of Tables.
- **Strengthening of information validation and submission processes.** NCG No. 554 redefines the review procedures, establishing that files will only be considered delivered after passing the CMF's computerized validations. In addition, it requires a cover sheet to be attached to each regulatory file and requires AGFs to correct all errors before final submission.
- **Elimination of previous obligations and regulatory reorganization.** The section on relevant variables in the internal fund regulations is eliminated, and the headings and numbering of NCG No. 532 are reorganized for internal consistency. The regulation also deletes and replaces sections on modifications and validity, adapting them to the new content.
- **New rules for reporting capital reductions and dividend distributions.** The FONDOS07 file is updated to require detailed information on provisions, payments, types of reductions, total amounts and amounts per share, adjustment factors, and any combination of mechanisms applied. In addition, it incorporates a specific record for reporting dividend distributions in non-redeemable investment funds.

3. Next steps

- The regulation comes into force on **June 1, 2026**.
- There will be a six-month transition period until **November 30, 2026**.
- Guarantees that need to be updated during 2026 must be reported before **September 30, 2026**.

24/11/2025

D CMF - Official circular modifying the NCG on the MSI Fintec
1. Context

The MSI Fintec contained in NCG No. 530 establishes the data structure, frequency, and technical characteristics of the regulatory report applicable to service providers authorized under Title II of Law No. 21,521 (Fintec Law). Since its entry into force, the CMF has been making technical adjustments and improvements to ensure consistency in coding, standardization in reporting fields, and correct application of the oversight instructions associated with intermediation, custody, routing, crowdfunding platforms, alternative transaction systems (SAT), and advisory services.

In this context, the CMF has published the **circular letter modifying the NCG on the MSI Fintec**, with the aim of improving consistency between fields, correcting numbering, updating names, and ensuring uniformity in the information reported by entities registered in the Registry of Financial Service Providers (RPSF).

2. Main points

The circular introduces technical adjustments and internal corrections to various regulatory files of NCG No. 530 on the Fintec MSI, mainly:

- **Structural adjustments in FINTEC01 (Authorised services information).** Item No. 1, Record type, is deleted, all subsequent fields are renumbered, and internal references in record 01 are adjusted so that the service field becomes field No. 1. These changes seek to align the initial structure of the record with the MSI Fintec design criteria.
- **Modification of field type in FINTEC02 (Minimum equity and guarantees).** For record 01 of the FINTEC02 file, field No. 1 changes from type X(02) to numeric type 9(02), reinforcing the standardisation of the coding required for the minimum equity and guarantees report.
- **Numbering corrections in FINTEC03 (Transaction information).** Field 1, on record type, is explicitly incorporated, and the remaining fields are renumbered correlatively, correcting structural inconsistencies detected in previous versions.
- **Changes in FINTEC04 (Exposures).** The names of fields No. 2, No. 3 and No. 4 of record 04 are updated (changing to exposures, currency and position amount) and the name of field No. 6 of record 05 (position amount) is modified, in addition to the length of filler field No. 7.
- **Update of the field in FINTEC06 (Positions).** In record 02, field No. 5 changes its name from position amount to exposure amount, unifying criteria with the rest of the MSI files.
- **Reordering of numbering in FINTEC07 (Transactions).** In record type 01, the field on transaction type becomes No. 3 and the field on currency becomes No. 2; multiple internal references are also adjusted to ensure file consistency.
- **Multiple adjustments in FINTEC08 (Derivative instruments).** The technical definitions of various fields in records 01 and 02 (including their data type and length) are updated to standardise coding and ensure technical uniformity. In record 03, the numbering and names of several fields are also restructured, including changes to the identification of currency, underlying units and underlying coding.
- **Updates to FINTEC15 (Technological infrastructure).** Internal references in fields No. 2, No. 3, No. 4, No. 5, No. 8 and No. 11 have been modified, and the infrastructure as a service code has been corrected from 98 to 03 in the cloud type table.
- **Cross-reference adjustments in FINTEC16 (Third-party information and cross-references).** References in fields No. 10 and No. 14 have been updated to align them with the new numbering of fields No. 2 and No. 3, as appropriate, ensuring cross-file consistency.

3. Next steps

- The circular order entered into force on **November 24, 2025**.
- Entities registered with the RPSF must **immediately** incorporate the technical adjustments into the FINTEC01 to FINTEC16 files of the MSI Fintec, according to the applicability of the authorized services.
- Guarantees that must be updated during 2026 must be reported before **September 30, 2026**.

30/11/2025

D **CMF - Regulatory proposal for the Modernization of the Regulatory**
P **Framework for CACs supervised by the CMF: RAN CACs and MSI CACs**



1. Context

The Financial Resilience Law (LRF) transferred to the Financial Market Commission (CMF) the comprehensive regulation and supervision of Savings and Credit Cooperatives (CACs) with equity exceeding 400,000 Inflation-Indexed Units (UF), previously under the Division of Associativity and Cooperatives (DAES), enabling a proportional approach and the issuance of specific regulation on corporate governance, management evaluation, and risk methodologies, in coordination with the General Law of Cooperatives (LGC) and, where applicable, the General Law of Banks (LGB). Within this framework, the CMF opened two public consultation processes on the modernization of the regime applicable to CACs, aimed at gathering comments from the sector and stakeholders.

In this context, the CMF has published a **regulatory proposal for the Modernization of the Regulatory Framework for CACs supervised by the CMF: Updated Compilation of Rules (RAN) for CACs and the Information System Manual (MSI)**, with the objective of organizing, systematizing, and updating current provisions and new instructions; aligning supervision with a risk-based approach applied with proportionality (according to size, complexity, and risk profile); clarifying functions and duties of governing bodies and disclosure standards to members; modernizing reporting and data quality through an information manual with updated structures and fields; and reducing ambiguities through clear definitions and regulatory.

2. Main points

This section summarizes the main aspects of the proposal, highlighting the changes with the greatest operational and supervisory impact for the affected entities:

- **Objective scope and regulatory compilation.** Creation of RAN CACs and MSI CACs to organize, systematize and update the instructions applicable to CACs under CMF perimeter.
- **Governance and corporate bodies.** Clarifies functions and duties of the manager, board of directors and general meeting; rules for committees; and disclosure obligations to members, strengthening traceability and internal control.
- **Management evaluation and proportionality.** Adjusts the evaluation model (Chapter CAC-10) to the cooperative context, reinforcing proportional application according to size, complexity and risk profile.
- **Reporting and data.** MSI CACs updates structures, files and fields (additions/removals and new fields), aligning reporting with a risk-based approach and quality/consistency requirements.
- **Transparency and definitions.** Introduces clarifications on remuneration, cooperative principles, service hours and regulatory references, to standardize criteria and reduce interpretive ambiguities.
- **Operational implications.** Implementation will require document adjustments (bylaws, internal regulations and policies), system upgrades and a work plan for the first submission under MSI CACs, as well as training for governing bodies and responsible teams.

3. Next steps

- The new version is **submitted to public consultation until January 12, 2026.**

16/12/2025

P CMF - Draft regulation on External Audit Firms



1. Context

The CMF currently regulates External Audit Firms (EAFs) through a set of differentiated sectoral rules, including, among others, General Rule (NCG) n° 275, applicable to the securities market, as well as specific provisions contained in the Updated Compilation of Rules (RAN) for banks and in the prudential regulation applicable to insurance companies. This approach has resulted in non-harmonised requirements regarding registration, professional suitability, independence, quality control and information obligations, making consistent supervision by the CMF more challenging. In addition, in recent years the CMF has strengthened its supervisory expectations regarding the quality of external audits, in line with international standards, focusing in particular on the internal governance of EAE, the management of conflicts of interest and the traceability of audit processes.

In this context, the CMF has published a **draft regulation on the rules applicable to EAEs**, aimed at consolidating and updating the regulatory framework applicable to external audit firms. To this end, it establishes a single regulatory framework that harmonises registration requirements, operational standards, independence, quality control and information obligations, regardless of the financial sector in which the firms provide their services.

2. Main points

The draft regulation establishes a comprehensive regulatory framework applicable to EAFs:

- **EAE Register.** The draft regulation provides a detailed framework for the EAE Register administered by the CMF, setting out the procedures and requirements applicable to registration applications, updates to registered information, and the grounds and procedures for suspension and cancellation of registration, with the aim of ensuring that EAFs continuously meet the conditions required to operate.
- **Technical suitability of EAE.** Minimum criteria and requirements for technical suitability are defined for EAE and the professionals responsible for audit engagements, including experience, technical competencies and compliance with professional standards, thereby strengthening the quality and consistency of audit services provided to supervised entities.
- **Internal regulations of EAE.** EAE are required to have formalised internal regulations establishing policies and procedures on matters such as internal governance, quality control, independence, professional ethics, conflict of interest management and allocation of responsibilities, aligned with the International Standards on Auditing (ISAs) and international best practices.
- **Ongoing information to the CMF.** The draft regulation governs the ongoing information obligations that EAE must submit to the CMF, specifying the content, scope and frequency of the information to be reported, in order to enable continuous and risk-based supervision by the regulator.
- **Records and supporting documentation.** Specific obligations are established regarding the maintenance of records and supporting documentation for audit engagements, ensuring the traceability, integrity and availability of information for supervisory purposes and potential reviews by the CMF.
- **Statements issued by EAE.** The draft regulation governs the statements that EAE must issue in the performance of their duties, specifying their scope, content and associated responsibilities, with the aim of enhancing the clarity, consistency and reliability of opinions issued in the context of audits.

3. Next steps

- The public consultation on the draft regulation closes on **8 February 2026**.

Q4 Relevant Publications

Colombia

08/10/2025



S SFC - External Circular 0015 of 2025, which introduces specific instructions for the management of environmental and social risks

1. Context

The Colombian financial system faces growing challenges related to environmental, social and climate issues. These risk factors, in addition to their economic impact, can affect the financial stability and resilience of entities. Therefore, the management of environmental and social risks, including climate risk, has become a key component of prudential supervision and good governance practices.

In this context, the SFC has published **External Circular 0015 of 2025**, which introduces specific instructions for the management of environmental and social risks, including climate risk, in supervised entities. Its objective is to strengthen the identification, measurement, control and monitoring of these risks, promoting the integration of environmental and social criteria in financial operations.

2. Main points

The Circular introduces the following provisions to integrate the management of environmental, social and climate risks into the risk management systems of supervised entities:

- **New Chapter on Environmental and Social Risk Management, including Climate Risk, in the Basic Accounting and Financial Circular (CBCF).** A complete chapter has been added that establishes general and specific guidelines for the identification, assessment, control and monitoring of environmental and social risks, with special emphasis on climate risks. Institutions must incorporate these factors into their policies, credit assessment methodologies, monitoring procedures and investment portfolio management. Entities are also expected to adopt analytical tools that enable them to understand the potential financial impacts of climate events, regulatory transitions or changes in market preferences. In terms of credit, the chapter introduces minimum criteria for assessing the environmental and social risk of operations, considering both the customer profile and the nature of the projects financed.
- **Modification to the Internal Control System of the Basic Legal Circular (CBJ).** Sections 3.1.4 (Risk management policies) and 3.2 (Risk management) of Chapter IV of Title I of the CBJ are updated with the aim of integrating environmental, social and climate risks into the internal control system. The SFC establishes that the management of these risks must be part of the overall risk management process of entities, reinforcing the responsibility of management bodies in defining policies, limits and controls. Similarly, it emphasises the need to maintain dynamic and permanent identification and monitoring processes, as well as reporting mechanisms that allow senior management and the SFC to assess the exposure and mitigation of these risks.

3. Next steps

- The Circular came into force on **3 October 2025**.
- Supervised entities must prepare and submit to the Financial Superintendency of Colombia, within the following **six months**, a detailed implementation plan describing the stages, responsible parties and resources allocated to comply with the new requirements.
- The maximum period for full adoption of the provisions will be **eighteen months** from the date of publication.
- In addition, entities may implement the instructions in advance, before the deadlines expire, and the SFC may publicly recognise such efforts in the area of sustainability and responsible risk management.

22/12/2025



SFC - Draft Circular setting out instructions on the EPR and the PAC and PAL



1. Context

Within the framework of Pillar 2 of the standards set by the Basel Committee on Banking Supervision (BCBS), institutions are encouraged to have internal mechanisms in place to determine their capital and liquidity needs in line with their risk profile, nature, size and business plan. In line with these recommendations, the SFC considers it necessary to establish instructions for the implementation of PAC and PAL and to generally update the instructions applicable to the EPR, so that stress tests enable the assessment of vulnerabilities, support strategic decision-making and the estimation of optimal capital needs under adverse scenarios.

In this context, the SFC has published for public comments the **Draft Circular setting out instructions on the EPR and the implementation of PAC and PAL**, with the aim of adopting the BCBS recommendations, strengthening the internal framework for capital and liquidity assessment, and ensuring that stress testing is integrated into decision-making and internal planning, thereby enabling the identification of vulnerabilities and the estimation of capital and liquidity needs under adverse scenarios.

2. Main points

This publication sets out the key elements of the framework proposed by the SFC:

- **New Chapter XXVIII of the CBCF on the EPR.** It is proposed to replace the current Chapter XXVIII of the Basic Accounting and Financial Circular (CBCF), which is devoted to the Stress Testing Framework (EPR), with a new chapter that updates its instructions and explicitly links it to the Capital Self-Assessment Programmes (PAC) and Liquidity Self-Assessment Programmes (PAL). The EPR is thereby positioned as the instrument feeding an integrated view of risks and capital and liquidity needs: adverse scenarios and stress test results are to be used to assess vulnerabilities, support strategic decision-making and underpin internal capital and liquidity planning, strengthening consistency between stress testing, internal management and supervisory expectations.
- **Repeal of Annex 1 of the EPR.** It is proposed to repeal Annex 1, which contained the supervisor-required EPR guidelines. As a result, the framework would be concentrated in the new Chapter XXVIII, simplifying the structure and avoiding duplication between annexes and main instructions.
- **Creation of a new Chapter XXXVII for PAC and PAL.** A new chapter is proposed to establish instructions on capital and liquidity self-assessment processes. The approach is aligned with Basel guidelines and international best practices, reinforcing the expectation that institutions internally assess their capital and liquidity needs in accordance with their risk profile.
- **Derogation of EPR reporting template F.1000-138 (format 527).** It is proposed to eliminate the specific "Stress Testing" reporting template (format 527), in line with the transitional regime. This entails reviewing the future EPR reporting framework and the timelines for migration to the new requirements.

3. Next steps

- The SFC will receive comments until **22 December 2025**.
- By **31 July 2026**, institutions must submit to the SFC an implementation plan to comply with the new Chapter XXVIII (EPR) and Chapter XXXVII (PAC/PAL), including: i) a monthly work plan with tasks, deliverables and responsible parties; and ii) an impact assessment (estimated costs and required technological/operational adjustments).
- The main instructions would enter into force on **1 January 2028**; during 2028, capital requirements arising from the review of the PAC would not be binding and would become mandatory as from **1 January 2029**.

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).

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Q1 Other publications of interest

Global

FSB · Report on the relevance of transition plans for financial stability

(01/14) · Sustainability

The Financial Stability Board (FSB) has released a report highlighting the importance of climate transition plans for financial stability. However, it notes that the current lack of standardization and variable data quality limit their usefulness for macroprudential assessments. The FSB urges broader and more standardized adoption of these plans, emphasizing that the information should be credible, transparent, and based on clear assumptions, with consistent metrics and methodologies. [\(more detail\)](#)

BCBS · Final reports on margin in centrally and non-centrally cleared markets

(01/15) · Capital

The Basel Committee on Banking Supervision (BCBS), the Committee on Payments and Market Infrastructures (CPMI) of the Bank for International Settlements (BIS), and the International Organization of Securities Commissions (IOSCO) have published three final reports. These reports provide recommendations and best practices aimed at enhancing the transparency and predictability of margin requirements in both centralized and non-centralized markets. They include specific measures to optimize risk management in these markets, improve financial stability, and ensure consistent implementation of margin requirements globally. [\(more detail\)](#)

BCBS · Basel III monitoring report for March 2025

(03/26) · Capital, liquidity and leverage

The Basel Committee on Banking Supervision (BCBS) has published the Basel III monitoring report for March 2025, which assesses the cumulative impact of the final Basel III framework implementation on banks, using data as of 30 June 2024. The report covers data from 133 banks across 29 jurisdictions, including Global Systemically Important Banks (G-SIBs), and evaluates key areas such as minimum capital requirements, leverage ratio, market, credit and operational risks, as well as Total Loss-Absorbing Capacity (TLAC). The findings indicate that most banks already meet the requirements of the final Basel III framework, although some shortfalls remain, particularly with respect to the output floor. The report is part of the Committee's ongoing biannual regulatory monitoring. [\(more detail\)](#)

IASB · 2025 accounting taxonomy

(03/26) · Provisions and NPL

The International Accounting Standards Board (IASB) has released the International Financial Reporting Standard (IFRS) accounting taxonomy 2025, which incorporates updates to accounting standards issued up to January 2025. This version reflects changes arising from new standards and amendments, including those related to the new IFRS 18 on presentation and disclosures in financial statements, along with technical enhancements to support better digital reporting. The taxonomy enables electronic financial reporting using the extensible Business Reporting Language (XBRL). The release is part of the annual update cycle. [\(more detail\)](#)

Q1 Other publications of interest

European Union

EC · Report on activities and technical screening criteria to be updated or included in the EU taxonomy

(01/08) · Sustainability

The European Commission's (EC) Platform on Sustainable Finance has published a preliminary report proposing updates to the technical screening criteria for activities included in the Climate Delegated Act of the European Union (EU) Taxonomy, as well as the inclusion of new activities. This report aims to enhance the clarity, conciseness, and consistency of the criteria, taking into account data availability to facilitate compliance by companies and enable independent verification. [\(more detail\)](#)

EBA · Repeal of the Guidelines on the reporting of major incidents under the revised PSD2

(01/17) · Payments

The European Banking Authority (EBA) has repealed the Guidelines on Major Incident Reporting under the revised Payment Services Directive (PSD2). This decision follows a thorough review of the guidelines since their implementation, identifying areas for improvement in the reporting processes for major incidents. The aim is to streamline and optimize procedures, ensuring that payment service providers can deliver more consistent and efficient reporting, contributing to a clearer and more practical regulatory framework. Additionally, this repeal is linked to the entry into force of the Digital Operational Resilience Act (DORA), which establishes a more robust framework for digital operational resilience and redefines the requirements for incident reporting in the financial sector. [\(more detail\)](#)

EBA · Adoption of pseudonymisation guidelines and establishment of foundations to improve cooperation with competition authorities

(01/17) · Technology

The European Data Protection Board (EDPB) has adopted guidelines on data pseudonymization, marking a significant step toward enhancing personal data protection in line with the General Data Protection Regulation (GDPR). These guidelines aim to provide clarity on the use of pseudonymization techniques to safeguard individual privacy, offering practical examples and specific criteria. Additionally, the EDPB has taken steps to strengthen cooperation among national data protection authorities, fostering the uniform enforcement of regulations across the European Union (EU). [\(more detail\)](#)

ESMA/EC · Guidance on digital assets outside the scope of MiCA

(01/17) · Cryptoassets

The European Securities and Markets Authority (ESMA) and the European Commission (EC) have published guidance on asset-referenced tokens (ARTs) and electronic money tokens (EMTs) that do not comply with the Markets in Crypto-Assets Regulation (MiCA). This document provides clarity on the regulation of these assets and details how regulators will address non-compliance cases. Next steps include the implementation of these guidelines by affected entities and continuous review to ensure alignment with MiCA. The guidelines are expected to be implemented by the end of January 2025 and fully complied with by the end of the first quarter of 2025. [\(more detail\)](#)

ECB · Stress Test Announcement for 96 Euro Area Banks in 2025

(01/20) · Supervision · Capital

The European Central Bank (ECB), through the Single Supervisory Mechanism (SSM), has announced that it will conduct a stress test exercise for 96 banks in the euro area in 2025. This exercise includes collaboration with the European Banking Authority (EBA) to assess the region's largest banks, along with additional tests for medium-sized banks not included in the EBA sample. The results will be published in early August 2025 and will provide insights into the resilience of banks under adverse macroeconomic scenarios. [\(more detail\)](#)

EBA · 2025 EU-wide stress test launch

(01/20) · Supervision · Capital

The European Banking Authority (EBA) has launched its 2025 European Union (EU) wide stress test. This exercise will assess the resilience of major European banks against adverse economic scenarios and evaluate their capacity to withstand extreme financial shocks. The test involves 70 banks representing approximately 75% of EU banking assets. The results will be published in July 2025, offering key insights for regulators, the market, and the general public on the robustness of the European banking sector. [\(more detail\)](#)

EBA · Opinion on the interaction between the output floor and Pillar 2 requirements

(01/21) · Supervision · Capital

The European Banking Authority (EBA) has published an opinion on the interaction between the output floor and Pillar 2 requirements set out in Basel III. This document provides guidance to national competent authorities (NCAs) to ensure that the implementation of the output floor does not negatively affect the allocation of capital requirements under Pillar 2. Next steps include an assessment of supervisory practices in Member States and consideration of adjustments to regulatory guidelines to ensure consistency across the European Union (EU). [\(more detail\)](#)

EC · Report on the core elements for assessing corporate transition plans

(01/23) · Sustainability

The European Commission (EC)'s Platform on Sustainable Finance has published a report on the core elements for assessing corporate transition plans. This document provides guidance on evaluating corporate commitments and strategies in their transition toward sustainable business models. It also aims to foster transparency, trust, and accountability between companies and investors, supporting the EU's climate and sustainability goals. [\(more detail\)](#)

ESMA · Start of data publication regime from Designated Publication Entities and end of data publication from systematic internalizers

(01/24) · Capital markets · Reporting and disclosure

The European Securities and Markets Authority (ESMA) has published a reminder that the new regime for reporting over-the-counter (OTC) transactions for post-trade transparency purposes will come into effect on 3 February 2025. Additionally, it has announced that the quarterly publication of systematic internalisers' data will be discontinued immediately. Following the review of the Markets in Financial Instruments Regulation (MiFIR), the responsibility for reporting over-the-counter transactions will shift from systematic internalisers to the new Designated Publishing Entities (DPEs). ([more detail](#))

EC · Compass to regain competitiveness and secure sustainable prosperity

(01/30) · Sustainability

The European Commission (EC) has introduced the Competitiveness Compass, a strategic framework to position Europe as a leader in technology, clean products, and services, aiming to become the first climate-neutral continent. It is based on three pillars: closing the innovation gap, establishing a decarbonization roadmap, and reducing strategic dependencies. It also highlights five key enablers, including regulatory simplification, Simplification, lowering barriers to the Single Market, financing competitiveness, promoting skills and quality jobs, better coordination of policies at EU and national level. ([more detail](#))

EIOPA · Technical advice on Solvency II's new proportionality framework to the European Commission

(01/30) · Solvency

The European Insurance and Occupational Pensions Authority (EIOPA) has provided its technical advice to the European Commission (EC) on implementing the new proportionality framework under the Solvency II Directive. This framework defines criteria for classifying insurers as small and non-complex and proposes conditions for applying proportionality measures to other entities. The reform aims to reduce certain regulatory requirements based on the size, scale, and complexity of insurers' risks. ([more detail](#))

EIOPA · Suggestion of amendment of the capital treatment of insurers' direct exposure to central clearing counterparties

(01/27) · Solvency · Capital

The European Insurance and Occupational Pensions Authority (EIOPA) has provided technical advice to the European Commission (EC) on the standard formula capital treatment of insurers' direct exposures to Central Clearing Counterparties (CCPs). EIOPA proposes aligning this treatment with the Capital Requirements Regulation (CRR) and extending the approach used for indirect exposures to direct ones. It also recommends adjusting the treatment of default fund contributions to enhance risk sensitivity and prevent disincentives to direct clearing. ([more detail](#))

ESMA · Guidance on MiCA best practices

(01/31) · Cryptoassets

The European Securities and Markets Authority (ESMA) has published a guide on best practices in the application of the Markets in Crypto-assets (MiCA) Regulation, aimed at national supervisors and market participants. The document offers recommendations to guarantee a coherent application of the regulation in the European Union (EU), addressing key aspects such as authorization, governance and transparency requirements. National regulators are expected to implement these guidelines in their supervisory processes, in line with the MiCA implementation deadlines. ([more detail](#))

ESRB · Report on a monitoring framework for systemic liquidity risks in financial system

(02/03) · Capital, liquidity and leverage

The European Systemic Risk Board (ESRB) has issued a recommendation on the risks to the financial sector in the European Union (EU), warning of possible vulnerabilities arising from tightening financing conditions, slowing economic growth and geopolitical tensions. The ESRB stresses the importance of national competent authorities (NCAs) and market players strengthening their risk management and financial resilience strategies. The report urges national and European regulators to evaluate and implement additional macroprudential measures to mitigate systemic risks and preserve financial stability in the EU. ([more detail](#))

EIOPA · Consultation on revised guidelines on methods of determining market shares for limited information requirements

(02/03) · Markets · Reporting and disclosure

The European Insurance and Occupational Pensions Authority (EIOPA) has launched a consultation on the revision of the guidelines for methods of determining market shares under the Limited Reporting regime. The aim is to ensure a consistent application of these methods in the European Union (EU), facilitating the proportional supervision of the insurance sector. The consultation will be open until April 28, 2025. ([more detail](#))

EBA · Draft final ITS on reporting of data on charges for credit transfers and payments accounts, and shares of rejected transactions

(02/04) · Payments

The European Banking Authority (EBA) has published its final technical standards (ITS) on reporting data on charges for credit transfers and direct debits, with the aim of improving transparency and supervision of the costs associated with these services in the European Union (EU). These ITS establish detailed requirements for payment service providers (PSP) to report the charges applied, facilitating comparison and supervision by the competent authorities. The European Commission (EC) is expected to review and adopt these standards, after which they will be mandatory for regulated entities. ([more detail](#))

EC · Proposal to simplify EU taxonomy to foster sustainable finance

(02/05) · Sustainability

The European Commission (EC)'s Platform on Sustainable Finance has published a report on the simplification of the European Union (EU) Taxonomy, with the aim of facilitating its application and promoting sustainable investments. The document proposes adjustments to the technical criteria and improvements in the accessibility of information, seeking to reduce complexity and compliance costs for companies and investors. The European Commission will evaluate the report's recommendations and

consider possible modifications to the regulatory framework to improve the effectiveness and usability of the EU Taxonomy. [\(more detail\)](#)

EBA · Amendment of guidelines on ICT and security risk management measures in the context of DORA application

(02/11) · Technology

The European Banking Authority (EBA) has amended its Guidelines on Information and Communication Technology (ICT) and security risk management to align them with the Digital Operational Resilience Act (DORA), which will take effect in January 2025. The update introduces more detailed ICT risk management requirements, strengthens oversight measures for third-party providers, and enhances incident response capabilities. It also aligns with other European regulatory frameworks on cybersecurity and operational resilience. The revised guidelines will come into force on 30 June 2025, replacing the previous versions issued in 2019 and 2020. [\(more detail\)](#)

ECB · Update on Threat Intelligence-Based Ethical Red Teaming framework for the European Union

(02/11) · Technology

The European Central Bank (ECB) has published the updated Threat Intelligence-Based Ethical Red Teaming framework for the European Union (TIBER-EU). The revised version incorporates lessons from past testing, strengthens governance, and enhances cooperation between financial entities and authorities. It also introduces new standards for conducting advanced penetration tests to improve the financial sector's cyber resilience. [\(more detail\)](#)

EC · 2025 Work Programme

(02/11) · Supervisory expectations

The European Commission (EC) has released its 2025 Work Programme, outlining key strategies and legislative proposals aimed at boosting competitiveness, enhancing security, and strengthening the European Union (EU)'s economic resilience. This programme focuses on areas such as regulatory simplification, promotion of innovation, and the transition towards a more sustainable economy, with the goal of building a stronger, safer, and more prosperous Europe. [\(more detail\)](#)

EBA · Final draft ITS to implement a centralised EBA Pillar 3 data hub

(02/12) · Technology · Reporting and disclosure

The European Banking Authority (EBA) has published the final draft implementing technical standards (ITS) for implementing the Centralised Pillar 3 Data Hub, aimed at enhancing transparency and accessibility of financial institutions' risk and sustainability disclosures in the European Union (EU). This system will facilitate easier access to disclosure data, aligning with Basel Pillar 3 requirements. The draft ITS for small and non-complex institutions (SNCIs) and on the resubmission policy will be subject to a separate consultation, intended to be launched in the first half of 2025. [\(more detail\)](#)

EC · Integration of the voluntary Code of Practice on Disinformation into the Digital Services Act

(02/13) · Technology

The European Commission (EC) and the European Board for Digital Services (EBDS) have integrated the Code of Practice on Disinformation into the Digital Services Act (DSA), making it a benchmark for assessing compliance by major platforms like Google, Meta, Microsoft, and TikTok. The Code includes commitments on demonetizing disinformation, transparency in political advertising, and reducing fake accounts and deep fakes, among others. Compliance will be audited annually from July 1, 2025, in line with DSA audits. [\(more detail\)](#)

ESMA · Consultation on revised disclosure requirements for private securitisations

(02/13) · Reporting and disclosure

The European Securities and Markets Authority (ESMA) has launched a public consultation on the revision of disclosure requirements for private securitisations, aiming to enhance transparency and align them with market needs. The consultation seeks to balance regulatory burdens with the availability of key information for investors and supervisors. Stakeholders can submit feedback until April 15, 2025, before the final adoption of the new rules. [\(more detail\)](#)

ESMA · Consultation on changes to the settlement discipline

(02/13) · Capital markets

The European Securities and Markets Authority (ESMA) has launched a public consultation on amendments to the settlement discipline regime under the Central Securities Depositories Regulation (CSDR). The proposals seek to improve the efficiency of the settlement process, reduce the number of transaction failures and adjust the rules for greater market harmonization. Interested parties can submit comments until April 15, 2025, prior to final adoption of the amendments. [\(more detail\)](#)

ESMA · Consultation on the criteria for the assessment of knowledge and competence under MiCA

(02/18) · Cryptoassets · Reporting and disclosure

The European Securities and Markets Authority (ESMA) has launched a public consultation regarding the criteria for assessing the knowledge and competence of staff working for crypto-asset service providers (CASPs) who provide information or advice in this area under the Markets in Crypto-Assets (MiCA) framework. The consultation covers the minimum requirements these employees must meet and the organizational obligations of CASPs to ensure continuous training and upskilling of their staff. Stakeholders can submit their comments until April 22, 2025. [\(more detail\)](#)

EC · New cybersecurity blueprint to enhance EU cyber crisis coordination

(02/21) · Technology

The European Commission (EC) has presented a proposal to strengthen the response to large-scale cyber incidents within the European Union (EU). This plan updates the EU's cybersecurity crisis management framework, detailing the roles of relevant actors throughout all phases of a crisis. It includes measures to enhance preparedness, shared situational awareness, and the necessary detection capabilities to identify and mitigate cyber incidents. Additionally, it promotes collaboration between civilian and military entities, including the North Atlantic Treaty Organization (NATO), and addresses the security of critical infrastructures such as submarine cables. This initiative reflects the EU's commitment to ensuring a coordinated approach that protects the internal market and vital societal functions. [\(more detail\)](#)

ESMA · First set of technical standards to recalibrate and clarify the CSDR Refit framework

(02/21) · Capital markets

The European Securities and Markets Authority (ESMA) has published an initial set of technical standards aimed at recalibrating and clarifying the framework of the Central Securities Depositories Regulation (CSDR) Refit. These standards cover aspects such as the information that European Central Securities Depositories (CSDs) must provide to their national competent authorities (NCAs) for the review and evaluation process, the criteria for assessing the importance of CSDs in a host Member State and the data to be reported by third country CSDs. The main objective of CSDR Refit is to refine and clarify the existing regulatory framework, considering input from stakeholders and seeking to reduce the regulatory burden where possible. [\(more detail\)](#)

ECB · Changes to use of external ratings for private sector assets in Eurosystem collateral framework**(02/21) · Capital**

The European Central Bank (ECB) has announced changes to the rules for assessing the eligibility of private sector assets as collateral in the Eurosystem. The second-best rating will now apply to certain assets, such as bank and corporate bonds, with adjustments for single-rated assets. These changes aim to enhance consistency in risk assessment and will take effect no earlier than 18 months from 21 February 2025, thus, on August 21, 2026. [\(more detail\)](#)

ESMA · First set of technical standards to recalibrate and clarify the CSDR Refit framework**(02/24) · Cryptoassets**

The European Securities and Markets Authority (ESMA) has published the first set of technical standards under the Central Securities Depositories Regulation (CSDR) Refit. These standards aim to enhance the efficiency and flexibility of the settlement system in the European Union (EU) by adjusting requirements such as settlement failure management and settlement discipline. The measures are contained in three separate final reports on the review and evaluation process of EU Central Securities Depositories (CSDs), the criteria according to which the activities of a CSD could be considered to be of substantial importance for the functioning of securities markets and the protection of investors, and the notifications of third country CSDs. [\(more detail\)](#)

EC · Consultation on commodity derivatives and CBAM adjustments**(02/27) · Sustainability**

The European Commission (EC) has launched a public consultation targeting participants in the commodity derivatives market, aiming to assess potential regulatory adjustments to enhance transparency and stability in this sector. Concurrently, delays and modifications in the implementation of the Carbon Border Adjustment Mechanism (CBAM) have been announced, seeking to align its application with market needs and ensure an effective transition towards more sustainable practices. The consultation closes on 9 April 2025. [\(more detail\)](#)

ESMA · Extended classification and recognition of the three UK-based central counterparties**(03/18) · Markets**

The European Securities and Markets Authority (ESMA) has announced its decision to temporarily extend the application of the recognition decisions under Article 25 of the European Market Infrastructure Regulation (EMIR) for three central counterparties (CCPs) established in the United Kingdom (UK). On January 30, 2025, the European Commission adopted a new equivalence decision with respect to the regulatory framework applicable to CCPs in the UK. [\(more detail\)](#)

Council · Adoption of the position on the Stop the Clock mechanism for the improvement of European competitiveness**(03/26) · Sustainability**

The Council of the European Union (EU) has issued an agreement on the "Stop the Clock" mechanism, which delays the deadlines for implementing the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Human Rights and Environmental Due Diligence Directive (CRDDD). These requirements include corporate sustainability reporting and due diligence obligations, giving businesses more time to adapt to new regulations. Negotiations will continue in the coming weeks. The European Parliament (EP) has scheduled a vote on April 1 on the request for urgent procedure for this proposal. [\(more detail\)](#)

Council · Revision of the regulatory framework for financial benchmarks to reduce the burden on SMEs**(03/24) · Others**

The Council of the European Union (EU) has adopted a revision of the financial benchmarks regulation, aimed at reducing the administrative burden on financial actors, particularly small and medium-sized enterprises (SMEs). Key changes include removing non-significant benchmarks from the scope of the regulation, introducing an opt-in regime for administrators wishing to be supervised, and establishing new registration requirements for climate benchmarks aligned with the Paris Agreement. The role of the European Securities and Markets Authority (ESMA) is also reinforced, as it will oversee the registration, supervision, and maintenance of the administrator database. The revised regulation will enter into force on 1 January 2026, following its signature and publication in the official journal of the EU (OJEU). [\(more detail\)](#)

EC · Consultation on EU approach on market risk rules for banks**(03/24) · Markets**

The European Commission (EC) has launched a public consultation to determine the most appropriate approach for implementing the market risk prudential requirements framework for banks in the European Union (EU). This initiative responds to the Fundamental Review of the Trading Book (FRTB) introduced by Basel III, which aims to incorporate more sophisticated risk measurement techniques and better align capital charges with the actual risks banks face in their capital markets activities. Given that other countries might delay the implementation of these standards, the EC is considering three options: i) applying the FRTB from January 1, 2026; ii) postponing its implementation until January 1, 2027; iii) or introducing temporary and targeted amendments to the market risk framework for up to three years. Interested parties can submit their contributions until April 22, 2025. [\(more detail\)](#)

EBA · Update of the methodology for assessing regulatory and supervisory equivalence of third countries**(03/24) · Capital, liquidity and leverage · Supervisory expectations**

The European Banking Authority (EBA) has published an updated methodology for assessing the regulatory and supervisory equivalence of non-European Union (EU) countries. The revised methodology introduces more specific and objective criteria to evaluate whether third countries' regulatory and supervisory frameworks are comparable to those of the EU, focusing on areas

such as prudential requirements, governance, information exchange, and supervisory cooperation. This update aims to enhance consistency and transparency in equivalence decisions. The updated methodology is expected to guide future assessments. [\(more detail\)](#)

EC · Platform on Sustainable Finance response to the public consultation on the draft delegated act amending the EU taxonomy delegated acts

(03/26) · Sustainability

The European Commission (EC) has published the response of the Platform on Sustainable Finance to the public consultation on the draft delegated act amending the European Union's taxonomy delegated acts. The response assesses the current progress of the sustainable finance framework and offers proposals to simplify taxonomy implementation while maintaining alignment with the objectives of the European Green Deal. Key recommendations include reducing corporate reporting burdens by one-third, adopting a more practical interpretation of the do no significant harm principle, and facilitating access to sustainable finance for Small and Medium-sized Enterprises (SMEs). The Platform also advocates aligning the scope of taxonomy reporting with the Corporate Sustainability Reporting Directive (CSRD), focusing on essential elements for non-SME companies. While no specific next steps are outlined, the EC is expected to consider these suggestions in upcoming regulatory revisions. [\(more detail\)](#)

EC · Handbook on climate benchmarks and sustainability disclosures

(03/26) · Sustainability

The European Commission (EC) has published a handbook on the European Union (EU) climate benchmarks and sustainability-related disclosures, developed by the Technical Expert Group on Sustainable Finance (TEG). The document provides guidance on implementing the EU climate transition benchmarks and the Paris-aligned benchmarks to enhance transparency and comparability in financial markets. It also includes guidelines on sustainability disclosures for benchmark administrators. This handbook serves as a key tool to promote the integration of climate considerations into investment and financial decision-making. [\(more detail\)](#)

ESMA · Recommendations for the supervision of simple, transparent and standardized securitizations

(03/26) · Compliance and conduct

The European Securities and Markets Authority (ESMA) has published a set of recommendations to national competent authorities (NCAs) regarding the supervision of simple, transparent and standardized securitizations (STS) under the European Union Securitization Regulation. The report highlights key areas to strengthen supervisory convergence, including validation of STS notifications, review of securitization documentation, and assessment of due diligence by involved parties. It also outlines good practices to support a consistent and effective supervisory approach across jurisdictions. No specific upcoming dates are mentioned, but the recommendations are part of ESMA's ongoing efforts to ensure harmonized supervision of STS securitizations. [\(more detail\)](#)

EBA · Draft technical package for version 4.1 of its reporting framework

(03/27) · Reporting and disclosure · Recovery and resolution

The European Banking Authority (EBA) has released the draft technical package for the reporting framework 4.1, introducing enhancements to prudential and resolution reporting requirements in the European Union (EU). The update includes changes in data collection related to credit risk, capital requirements, and resolution planning, ensuring greater consistency and accuracy in the information reported by financial institutions. The consultation on the technical package will remain open until April 15, 2025, and the final version of the framework is expected to be published in end May 2025, with implementation scheduled from June 2025 onward. [\(more detail\)](#)

EIOPA · Proposal on capital requirements for cryptoasset holdings by EU insurer

(03/26) · Capital, liquidity and leverage · Cryptoassets

The European Insurance and Occupational Pensions Authority (EIOPA) has published a proposal to apply a 1:1 (that is, maintaining one euro of capital for every euro invested) capital requirement for crypto-asset holdings by European Union (EU) insurers under the Solvency II prudential framework. This means that insurers would need to hold one euro of capital for every euro invested in crypto assets, reflecting their high volatility and risk. The proposal aligns with previous advice from the European Banking Authority (EBA) and follows the mandates set out by the Digital Operational Resilience Act (DORA) and the Markets in Crypto-Assets (MiCA) regulation. EIOPA has also launched a public consultation on the prudential treatment of crypto-asset exposures, open until 25 June 2025, in which opinions are gathered on the long-term approach and possible complementary regulatory measures. [\(more detail\)](#)

Spain

MINECO · Public consultation on the draft order regulating securities lending by Collective Investment Institutions

(01/13) · Credit

The Ministry of Economy, Industry, and Competitiveness (MINECO) has launched a public consultation on a draft order regulating securities lending by collective investment institutions. The purpose of this regulation is to establish the requirements and conditions under which these institutions may carry out securities lending operations, helping to improve transparency and control over these activities in the securities market. The consultation will be open for comments until January 28, 2025. [\(more detail\)](#)

MINECO · Draft Order regulating the securities lending of Collective Investment Institutions

(01/13) · Financial markets · Compliance

The Ministry of Economy, Commerce and Enterprise (MINECO) has published a draft Order regulating securities lending by Collective Investment Institutions. This regulation aims to establish the conditions and procedures for these operations, ensuring they are conducted transparently and in compliance with existing regulations. The public consultation is open for comments until January 31st. [\(more detail\)](#)

CNMV · Adoption of the European guidelines for assessing the suitability of the members of the management body and the shareholders of crypto-asset service providers

(02/04) · Cryptoassets

The National Securities Market Commission (CNMV) has adopted the European guidelines for assessing the suitability of the members of the management body and the shareholders of crypto-asset service providers (CASPs), in compliance with the Markets in Crypto-Assets (MiCA) Regulation. These guidelines, applicable from February 4, 2025, establish common criteria to evaluate the integrity, knowledge, experience, and dedication of the members of the management body, as well as the reputation and professional competence of shareholders with qualifying holdings in issuers of asset-referenced tokens and CASPs. ([more detail](#))

MITECO · Public consultation prior to the elaboration of the Social Climate Plan

(02/24) · Sustainability

The Ministry for Ecological Transition and Demographic Challenge (MITECO) has launched a public consultation to develop the Social Climate Plan, in line with Regulation of the European Union (EU) 2023/955. This fund, part of the Fit for 55 package, will finance measures to cut emissions in transport and buildings, supporting vulnerable households and micro-enterprises. The consultation seeks input to tackle energy and transport poverty. Contributions are open until March 21, 2025. ([more detail](#))

UK

PRA · Policy statement PS1/25 on amendments to reporting and disclosure dates

(01/07) · Reporting and disclosure

The Prudential Regulation Authority (PRA) has issued Policy Statement (PS) 1/25, adjusting the deadlines for financial entities to submit their resolution assessment reports and disclose public summaries. Previously, entities were required to submit these reports biennially on the first Friday of October and publish a summary on the second Friday of June the following year. Under the new amendments, submission and disclosure dates will no longer follow specific biennial cycles. Instead, the PRA will communicate the dates for each cycle in advance, allowing entities to plan and prepare their reports more effectively. This measure aims to provide greater flexibility and ensure that resolution assessments are conducted timely and appropriately. ([more detail](#))

BoE · Framework outline for a digital currency

(01/15) · Central bank digital currencies (CBDC)

The Bank of England (BoE) has published a design note outlining its preliminary thoughts on the potential scope and focus areas for a digital pound. The document highlights the BoE's ongoing considerations during the design phase, emphasizing public, business, and civil society engagement. The design notes are meant to foster early-stage discussions, though no decisions have been made yet about the creation of a digital pound. ([more detail](#))

UK Gov · Public consultation on UK Internal Market Act

(01/23) · Capital markets

The United Kingdom's (UK) Government has launched a consultation on the UK Internal Market Act. This initiative aims to gather stakeholder feedback on the implementation, impact, and potential improvements to the act, which governs internal trade between the UK's nations following Brexit. The act seeks to ensure a frictionless internal market by maintaining the free flow of goods and services while respecting the regulatory autonomy of Scotland, Wales, Northern Ireland, and England. Through this consultation, the government hopes to identify practical challenges and promote greater collaboration to balance economic integration with devolved competencies. ([more detail](#))

UK Gov · Planned methodology changes on greenhouse gas emissions statistics

(01/23) · Sustainability

The United Kingdom's (UK) Government has published planned methodology changes for the calculation of the country's greenhouse gas (GHG) emissions. This document outlines proposed updates to how emissions data are collected, calculated, and reported, ensuring alignment with international standards and more accurately reflecting current activities. The changes aim to enhance the transparency, consistency, and accuracy of reporting, supporting better decision-making and tracking progress toward the UK's climate targets. ([more detail](#))

BoE · Policy statement on streamlining firm-specific capital communications

(02/12) · Capital · Reporting and disclosure

The Bank of England (BoE), through the Prudential Regulation Authority (PRA), has published a policy statement (PS) aimed at streamlining the communication of firm-specific capital requirements. The update seeks to improve the efficiency of how regulated firms receive and manage these requirements, reducing administrative complexity and enhancing transparency in the process. Additionally, the new policy aims to better align regulatory expectations with existing supervisory frameworks. The changes will take effect on 1 June 2025. ([more detail](#))

HM Treasury · Policy paper on plan for accelerated settlement

(02/19) · Capital markets

His Majesty's Treasury (HM Treasury), in collaboration with the Financial Conduct Authority (FCA) and the Bank of England (BoE), has published its response to the consultation on reducing the UK securities settlement cycle to one business day (T+1). This means that instead of a securities transaction being settled in two business days (T+2, as is currently the case), it will be completed in one business day (T+1), streamlining the process and reducing risks. In its report, HM Treasury confirms its commitment to transitioning to T+1 by the end of 2025, highlighting efficiency gains and risk reduction benefits. Additionally, a task force with industry representatives has been established to coordinate the process and ensure effective implementation. ([more detail](#))

PRA · Climate Change Adaptation Report 2025

(01/30) · Sustainability

The Prudential Regulation Authority (PRA) has published its Climate Change Adaptation Report 2025, outlining its response to the risks posed by climate change to its operations and policy objectives since October 2021. The report highlights the evolution of its approach in prudential supervision, domestic and international policy development, and industry capability building. It emphasizes the need for financial institutions to identify, measure, manage, and mitigate the climate risks they face. The PRA

also plans to update its supervisory expectations and continue assessing potential systemic risks related to climate change. [\(more detail\)](#)

BoE · Consultation paper on recognized exchanges policy and transfer of major indexes

(03/19) · Markets

The Bank of England (BoE), through the Prudential Regulation Authority (PRA), has launched a public consultation on the review of its recognized exchanges policy and the process for transferring major indexes. This proposal seeks to update the criteria used by the PRA to authorize stock exchanges, to grant them official approval to operate within the regulatory framework. All that to ensure greater consistency in the prudential treatment of exposures to instruments traded on these platforms. The consultation also introduces a new approach to how to manage the transfer of key indices from one recognized exchange to another, with the aim of reducing operational risks and improving regulatory transparency. The consultation will be open until June 21, 2025. [\(more detail\)](#)

BoE · Banking Capital Stress Test 2025 and guide for participants

(03/24) · Capital, liquidity and leverage

The Bank of England (BoE) has launched the 2025 Bank Capital Stress Test (BCST) and published two accompanying documents: i) the key elements of the 2025 BCST, outlining the design and scope of the exercise; and ii) the guidance for participants, setting out detailed expectations for banks' modelling and submissions under the scenario. The results of the stress test are due to be published in Q4 2025 and the projections data requested should be submitted to the Bank by 23 June 2025. [\(more detail\)](#)

FCA · Action plan for regulatory simplification following the introduction of the consumer duty

(03/25) · Compliance and conduct

The Financial Conduct Authority (FCA) has published Feedback Statement FS25/2, setting out immediate actions and future to review and simplify its regulatory framework following the introduction of consumer duty. The publication responds to industry concerns about the complexity of the FCA Handbook and outlines four priority areas: i) reviewing regulatory foundations; ii) future-proofing customer disclosures; iii) reducing administrative burdens; iv) and streamlining requirements. Key measures include consultations on mortgage rules in May and June 2025, a review of international conduct requirements, training and competence standards, and the withdrawal of outdated supervisory communications. An update on the program of work is expected in September 2025, with an in-person summit planned for the summer. [\(more detail\)](#)

BoE · Consultation on the amendment of margin requirements for centrally cleared derivatives

(03/26) · Capital

The Bank of England (BoE) has launched a consultation paper on amendments to Regulatory Technical Standard (RTS) 2016/2251, concerning margin requirements for centrally cleared derivatives. The proposal, issued through the Prudential Regulation Authority (PRA), aims to tailor the UK regulatory framework post-Brexit and ensure the margin rules remain appropriate for the domestic context. Key changes include technical adjustments to enhance clarity and consistency, along with new exemptions and flexibilities for specific contracts. The consultation is open until 27 June 2025, with final amendments expected following the review of stakeholder feedback. [\(more detail\)](#)

BoE · Review of the capital buffer framework for systemically important institutions

(03/28) · Capital, liquidity and leverage

The Bank of England (BoE) has published a consultation paper proposing to update the thresholds used to determine capital buffer rates for domestically systemically important banks (D-SIBs). These capital buffer rates are additional capital requirements that institutions must hold to enhance their resilience and mitigate risks to the financial system. The proposal suggests indexing these thresholds to the growth of nominal Gross Domestic Product (GDP) since 2019, aiming to ensure that the framework appropriately reflects economic developments and maintains its effectiveness. The paper also considers conducting regular reviews of the thresholds based on nominal GDP growth to prevent significant adjustments in the future. Those buffer rates will apply from 1 January 2026. [\(more detail\)](#)

Q1 Other publications of interest

American Region

US

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

(12/20) · Capital, liquidity and leverage

The Security and Exchange Commission (SEC) has adopted amendments to the broker-dealer customer protection rule to require certain broker-dealers to perform their reserve computations for accounts of customers and proprietary accounts of broker-dealers and make any required deposits into their reserve bank accounts daily rather than weekly. The SEC also is adopting amendments to the broker-dealer net capital rule and customer protection rule to permit certain broker-dealers that perform a daily reserve computation for accounts of customers to reduce aggregate debit items (i.e., customer-related receivables) by 2% rather than 3% as part of the computation. Finally, SEC is adopting technical amendments to the Financial and Operational Combined Uniform Single Report, FOCUS Report, to conform it to the amendments with respect to the lowering the debit reduction from 3% to 2%. [\(more detail\)](#)

FDIC · Documents related to supervision of crypto-related activities

(02/05) · Capital, liquidity and leverage

The Federal Deposit Insurance Corporation (FDIC) has published documents related to the supervision of cryptoasset-related activities, providing greater clarity on the risks and regulatory requirements for financial institutions under its supervision. These documents include guidance on assessing risks associated with cryptoasset exposures and guidelines to ensure depositor protection and financial stability. Supervised entities are expected to review and adopt the FDIC's recommendations in their cryptoasset risk management and compliance strategies. [\(more detail\)](#)

SEC · Reporting requirements for all filers and large hedge fund advisors

(03/19) · Markets

The Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) are adopting amendments to private fund (PF) form, the confidential reporting form for certain SEC-registered investment advisers to private funds, including those who are also registered with the CFTC as a commodity pool operator (CPO) or commodity trading adviser (CTA). The amendments correct certain errors in PF form. [\(more detail\)](#)

Brazil

BCB · Regulatory Instruction No. 587 which establishes new requirements for the disclosure of information on market and interest rate risk in the banking portfolio

(01/31) · Market Risk

The Central Bank of Brazil (BCB) has published BCB Normative Instruction No. 587, which establishes new requirements for the disclosure of information on market and interest rate risk in the banking portfolio (IRRBB) by financial institutions. The regulation aims to improve transparency and risk management, in line with international banking supervision standards. Among the main changes, it establishes more detailed criteria for the measurement and disclosure of exposure to interest rate fluctuations and other market risks that may affect the financial stability of financial institutions. The instruction came into force on the same day of its publication, January 31, 2025. [\(more detail\)](#)

BCB · Regulatory Instruction No. 588 introducing new guidelines for the disclosure of financial and risk information

(01/31) · Reporting and disclosure

The Central Bank of Brazil (BCB) has published BCB Normative Instruction No. 588, which introduces new guidelines for the disclosure of financial and risk information by supervised institutions. The regulation seeks to increase transparency in the financial sector, aligning itself with international standards to improve supervision and decision making in the market. Among the main changes are more detailed requirements on risk exposure, asset quality and financial soundness of institutions. The instruction came into force on the same day of its publication, January 31, 2025. [\(more detail\)](#)

BCB · Regulatory Instruction No. 589, which establishes new rules for the disclosure of information on operational risk by supervised financial institutions

(02/04) · Compliance

The Central Bank of Brazil (BCB) has published BCB Normative Instruction No. 589, which establishes new rules for the disclosure of information on operational risk by supervised financial institutions. The regulation seeks to improve transparency and strengthen risk management in the financial system, aligning with international banking supervision standards. Among the key changes, it establishes more detailed criteria for the identification, measurement and disclosure of operational risk events, including fraud, failures in internal processes and risks associated with information technologies. The instruction comes into force on different dates: immediately for certain revocations, on April 1, 2025, for most amendments, on June 16, 2025, for modifications related to Pix Automático, and on August 1, 2025, for Chapter 16. [\(more detail\)](#)

BCB · Version 2.8.1 of the manual of standards for the initiation of the instant payment system Pix

(03/19) · Sustainability · Reporting

The Central Bank of Brazil (BCB) has published Normative Instruction No. 591, which establishes guidelines for the submission of information on socio-environmental and climate risks by supervised financial institutions. This regulation defines the formats and deadlines for the presentation of reports related to the exposure to and management of these risks, within the framework of the requirements established by BCB Resolution No. 254. The initiative seeks to strengthen the transparency and supervisory

capacity of the BCB with respect to the impact of environmental, social and climatic factors on the stability of the financial system. The instruction comes into force on July 1, 2025. The instruction is framed within the regulatory regime established by BCB Resolution No. 254, whose obligations will start to apply as of July 2025, although this specific instruction does not detail an explicit entry-into-force date. ([more detail](#))

Mexico

CNBV · Amendment to the general provisions applicable to credit institutions

(12/27) · Reporting and disclosure

The National Banking and Securities Commission (CNBV) issued a resolution amending the general provisions applicable to credit institutions, published in the Official Gazette of the Federation on December 27, 2024. This amendment aims to simplify the reporting obligations for banking institutions by eliminating redundancies in requested and stored information. Specifically, it repeals the "A-2815 Assignment of the Business Indicator Method for Operational Risk" report from the "R28 Operational Risk Information Series," considering its content is fully integrated into the "A-0111 Minimum Catalog" report from the "R01 Minimum Catalog Series." The resolution will take effect the day after its publication in the Official Gazette of the Federation. ([more detail](#))

Colombia

BRC · Amendment of the interoperability framework for low-value immediate payment systems

(03/21) · Payments

The Bank of the Republic of Colombia (BRC) has released a new draft regulation, aimed at amending external regulatory circular DSP-465 on the interoperability of Low-Value Immediate Payment Systems (SPBV). Key proposed changes include updated rules for processing payment orders and/or immediate transfers, enabling the Centralized Directory for key management, and revising technical and operational standards. The implementation is structured in phases, emphasizing user experience, operational security, and compliance with strict processing time limits. Stakeholders may submit comments on the draft until April 5, 2025. ([more detail](#))

BRC · Regulation on Transitory Liquidity Support for credit institutions

(03/25) · Liquidity

The Bank of the Republic of Colombia (BRC) has issued external regulatory circular DEFI-360, regulating Transitory Liquidity Support (ATL) for credit institutions. These supports aim to provide temporary financial assistance to institutions facing liquidity difficulties. The circular sets the amounts, terms, interest rates, and procedures for access. The circular takes effect upon publication. ([more detail](#))

Chile

CMF · Public consultation on a new additional clause for lifetime annuities

(01/06)

The Financial Market Commission (CMF) has opened a public consultation on a proposal introducing a new additional clause for deferred and lifetime annuity increases. This clause will allow future retirees due to old age or disability to opt for a lower pension during a predetermined initial period, then access a higher fixed amount in Unidades de Fomento (UF) for life. The initiative aims to offer greater flexibility in pension planning, adapting to the individual needs of affiliates. The clause may be contracted alongside modalities such as immediate lifetime annuities or immediate lifetime annuities with scheduled withdrawals and can also be combined with the guaranteed payment period annuity clause. The public consultation will be open until January 31, 2025, and the CMF invites all interested parties to submit their comments and observations through its website. ([more detail](#))

CMF · Extension of the consultation period on amendments to the regulation of payment card issuers and operator

(01/13) · Payments

The Financial Market Commission (CMF) has extended the public consultation period on modifications to the regulations for payment card issuers and operators, including adjustments related to sub-acquiring operators and cross-border acquiring. These updates seek to strengthen financial supervision and improve current regulations, adapting them to market dynamics, with emphasis on prepaid cards and transfers between accounts. The new consultation period ends on February 7. ([more detail](#))

CMF · Public consultation on regulatory adjustments to contribute to the internationalization of the Chilean peso

(01/16) · Payments

The Financial Market Commission (CMF) of Chile has issued an update on its regulatory efforts, including measures related to sustainability and financial system stability. In its statement, the CMF highlights key initiatives aimed at enhancing supervision, promoting transparency in financial markets, and facilitating the transition to a more sustainable economy, all in alignment with international standards and best industry practices. ([more detail](#))

CMF · Modification of the entry into force of instructions on operational risk management for securities intermediaries and commodity brokers

(01/20) · Operational risk

The Financial Market Commission (CMF) of Chile has announced the modification of the effective date for the instructions on operational risk management for securities intermediaries and commodities exchange brokers. Originally scheduled for February 1, 2025, these instructions will now come into effect on August 1, 2025. This six-month extension aims to provide the affected entities with additional time to adequately implement the new guidelines established in General Rule No. 510. The CMF emphasizes the importance of these entities using this additional time to strengthen their operational risk management systems, thereby ensuring an effective transition and compliance with the established regulatory standards. ([more detail](#))

CMF · Consultation on new form for reporting transactions effected through Low Value Clearing Houses

(02/03) · Financial markets

Chile's Financial Market Commission (CMF) has published a public consultation on a new form for reporting transactions carried out through Low Value Payment Clearing Houses, with the aim of improving the transparency and supervision of the country's

payment system. The proposal seeks to standardize the information that entities must report to the CMF, facilitating more efficient monitoring of transactions and ensuring the security and stability of the financial system. Next steps: The consultation will be open until March 4, 2025. ([more detail](#))

BCCh · Update of the Technical Specifications for the SICAM

(03/27) · Reporting and disclosure

The Central Bank of Chile has published an update to the Technical Specifications for the International Exchange Operations Information System (SICAM), aiming to enhance the transmission and processing of foreign exchange transaction data. The new version includes adjustments to technical and structural requirements to improve compatibility with reporting entities' systems. Entities must publish the new Pillar 3 requirements for the first time, with a reference date of December 31, 2024, by June 30, 2025 at the latest. ([more detail](#))

Peru

SBS · Amendments to the investment Regulations and capital requirements for insurance and reinsurance companies

(12/28) · Solvency

The Superintendence of Banking, Insurance, and AFP (SBS) has issued Resolution No. 4380-2024, introducing changes to the Investment Regulations for Insurance Companies and the Capital Requirements Regulations for Insurance and Reinsurance Companies. These amendments include incorporating liabilities from counter-guarantees received in cash or account deposits as part of technical obligations, and updating annexes ES-3, ES-3A, and ES-7C to reflect these adjustments. The Resolution will take effect on January 1, 2025. ([more detail](#))

SBS · Amendment to the accounting manual for financial system companies

(01/03) · Reporting and disclosure

The Superintendence of Banking, Insurance, and AFP (SBS) published Resolution No. 00003-2025, amending the Accounting Manual for Financial System Companies, approved by Resolution SBS No. 348-95 and its amendments. This resolution introduces improvements to the format of Report No. 28, now named Financial Information of Non-Retail Debtors, to complement the supervisory activities carried out by the SBS. The Resolution will remain open for comments and observations until February 2, 2025. ([more detail](#))

SBS · Draft regulation for the modification of service channels in the private pension system

(01/30) · Conduct

The Superintendence of Banking, Insurance, and Private Pension Fund Administrators (SBS) has issued Resolution No. 00095-2025, authorizing the public consultation of a draft regulation that modifies several titles of the Compendium of Superintendence Regulations of the Private Pension Fund Administration System (SPP), focused on updating service channels within the private pension system. These modifications aim to promote innovation in service provision within the SPP while ensuring the protection of affiliates' rights. The public can submit comments and observations to the SBS until the 9th of February. ([more detail](#))

SBS · Draft regulations on actuarial aspects for benefit funds

(02/20) · Compliance

The Superintendence of Banking, Insurance, and AFP (SBS) has published a draft regulation on actuarial aspects applicable to the Benefit Funds, aiming to strengthen their sustainability and risk management. The proposal sets guidelines for assessing technical reserves, calculating future commitments, and submitting actuarial information. Additionally, it seeks to enhance the transparency and supervision of these entities. Interested parties may submit comments until March 21. ([more detail](#))

SBS · Update on the legal framework of the benefits provided by the SPP

(02/25) · Supervisory expectations

The Superintendence of Banking, Insurance and AFP (SBS) has published an update of the legal framework that regulates the benefits provided by the Private Pension System (SPP) in Peru. The new regulation introduces improvements in the operation of the system, guaranteeing greater clarity in retirement processes and benefits for members. It also establishes provisions that reinforce the supervision and transparency of the Pension Fund Administrators (AFP). ([more detail](#))

SMV · New investment product for individuals with low risk

(03/19) · Capital Markets

The Superintendence of Stock Markets (SMV) has approved a new low-risk investment product for individuals, in line with its strategy to strengthen the Peruvian securities market. As part of this effort, several support options have been identified, including the simplification of regulatory requirements to facilitate access to these products, the promotion of financial education for retail investors, and the creation of mechanisms that allow more people to participate in financial instruments with lower volatility. ([more detail](#))

SBS · Resolution amending the Regulations for the Consolidated Supervision of Financial and Mixed Conglomerates

(03/31) · Capital, liquidity and leverage

The Superintendence of Banking, Insurance and Private Pension Fund Administrators (SBS) has published a Resolution modifying the Regulations for the Consolidated Supervision of Financial and Mixed Conglomerates. The main objective of this publication is to specify the accounting treatment applied in the consolidation of financial statements, harmonize accounting policies within supervised groups and strengthen the methodology for determining effective equity, thus ensuring more coherent and transparent supervision in line with prudential standards. The deadline for submitting comments is April 24, 2025. As of the information corresponding to the second quarter of 2025 (that is, from April 1, 2025), entities must apply the new requirements when sending their reports to the SBS. ([more detail](#))

Honduras

CNBS · Update on Preventive Recovery Plans for banking institutions

(03/26) · Recovery and resolution

The National Commission of Banks and Insurance (CNBS) has issued circular No. 004/2025, requiring banking institutions to update their Preventive Recovery Plans (PPR) annually. These plans ensure financial stability in crisis situations. Institutions must submit updated plans with figures from December 31, 2024, by March 31, 2025. [\(more detail\)](#)

Q2 Other publications of interest

Global

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

(04/02) · Supervisory expectations · Solvency

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

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

(04/16) · Sustainability

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

ISSB · Draft on the proposed amendments to IFRS S2

(04/28) · Sustainability

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

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

(04/30) · Credit risk

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

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

(05/07) · Sustainability · Risks

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

IOSCO · Characteristics and trends in the sustainable bond market

(05/21) · Sustainability

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

IOSCO · Updated recommendations on liquidity risk management in collective investment funds

(05/26) · Risks and capital

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

BCBS · Technical amendments and frequently asked questions on the Basel Framework

(06/11) · Risks and capital

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

BCBS · Voluntary framework for the disclosure of climate-related financial risk

(06/17) · Sustainability

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

IAIS · Guidance on transitioning to a risk-based solvency regime

(06/19) · Capital/Solvency

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

IASB · Revised Practice Statement on management commentary

(06/23) · Accounting

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

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

(06/25) · Sustainability

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

Q2 Other publications of interest

European Union

Europe

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

(04/01) · Sustainability

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

SRB · Public consultation on expectations on valuation capabilities of resolution

(04/02) · Restructuring and resolution

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

ESMA · Public consultation on transparency requirements for derivatives

(04/03) · Compliance

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

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

(04/03) · Reporting and disclosure

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

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

(04/03) · Solvency

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

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

(04/07) · Stress tests · Liquidity

The European Insurance and Occupational Pensions Authority (EIOPA) has initiated its fifth Europe-wide stress test of Institutions for Occupational Retirement Provision (IORPs). This exercise aims to evaluate the sector's sensitivity to rapid movements in yield curves and to focus on liquidity risks, particularly considering recent market events that have highlighted the relevance of such risks for long-term institutional investors. The stress test includes two scenarios: a sharp increase in interest rates due to escalating geopolitical tensions leading to trade disruptions and higher commodity prices, and a significant decrease in interest rates resulting from prolonged geopolitical tensions causing loss of confidence in financial markets and subdued economic growth. The results of this stress test are expected to be published in mid-December 2025. ([more detail](#))

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

(04/08) · Compliance

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

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

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

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

ESMA · Draft RTS and a final report on the Guidelines on Liquidity Management Tools**(04/15) · Liquidity**

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

EC · Targeted consultation on integration of EU capital markets**(04/15) · Capital markets**

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

EBA · Criteria for the appointment of a central contact point by crypto-asset service providers**(04/25) · Cryptoassets · Financial crime**

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

EFRAG · Work plan for the simplification of the European Sustainability Reporting Standards**(04/25) · Sustainability · Disclosure**

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

ESMA · Guidelines for the prevention and detection of market abuse under the Markets in Crypto-Assets Regulation**(04/29) · Cryptoassets · Market abuse**

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

EIOPA · First set of consultations for the preparation of the implementation of the IRRD**(04/29) · Recovery and resolution**

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

EBA · Updates to ITS on resolution planning reporting framework**(05/07) · Recovery and resolution**

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

ESMA · Technical advice on the objectives of the listing Act

(05/07) · Markets · Conduct

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

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

(05/07) · Capital · Market

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

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

(05/08) · Markets

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

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

(05/09) · Markets

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

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

(05/14) · Capital, liquidity and leverage

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

ECB · Reform of the Supervisory Review and Evaluation Process SREP

(05/14) · Capital, liquidity and leverage

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

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

(05/16) · Risks and capital

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

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

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

The European Securities and Markets Authority (ESMA) has launched a Call for Evidence to examine the retail investor journey under the markets in financial instruments Directive II (MiFID II). The initiative aims to identify potential regulatory or non-regulatory barriers that may discourage retail investor participation in capital markets. The consultation explores topics such as

the appeal of speculative products to younger investors, the complexity of information provided, and the effectiveness of digital tools in investment decision-making. ESMA invites all stakeholders to submit their feedback by July 21, 2025. ([more detail](#))

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

(05/21) · Accounting

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

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

(05/22) · Sustainability

The European Banking Authority (EBA) has published a consultation paper regarding the disclosures on ESG risks, equity exposures and the aggregate exposure to shadow banking entities. Its objective is to adapt the disclosure framework of Pillar 3 to the new mandates of Capital Requirements Regulation 3 (CRR3) by extending the scope of application to a larger number of entities, adopting a proportional approach based on the profile of the entities, and aligning it with other relevant regulatory frameworks such as the Taxonomy Regulation. In addition, the implementing technical standards (ITS) package includes transitional measures and interim guidance to facilitate the progressive, coordinated, and efficient implementation of these new obligations. The public consultation period will be open until August 22, 2025. Affected entities will begin applying the new ITSs with a reference date of December 31, 2026. ([more detail](#))

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

(05/22) · Sustainability

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

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

(05/28) · Risks and capital · Cryptoassets

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

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

(05/28) · Accounting · Sustainability

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

EBA · MoU on the establishment of the JBRC

(05/28) · Government

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

EBA · MoU on the establishment of a common DPM

(02/06) · Risks and capital

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

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

(06/10) · Cryptoassets

The European Commission (EC) has published Delegated Regulation 2025/1141, which supplements Regulation 2023/1114 on crypto-asset markets (MiCA), establishing technical regulatory standards (RTS) for issuers of asset-referenced tokens. This

regulation details the requirements that policies and procedures must meet to identify, prevent, manage, and disclose conflicts of interest that may affect both issuers and holders of these tokens. It addresses situations that could compromise the objectivity of persons linked to the issuer, including economic, personal, or professional relationships that give rise to conflicting interests. In addition, guidelines are established on the management of personal data in accordance with the General Data Protection Regulation (GDPR), and relevant information is required to be made available in an official language of the home Member State and in a language customary in the sphere of international finance. This regulation will enter into force on June 29. ([more detail](#))

EC · Regulation on records of services related to cryptoassets

(06/10) · Cryptoassets

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

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

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

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

EC · Public consultation on Recommendation on savings and investment accounts

(06/11) · Strategy and commercial

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

ECB · Third analysis on climate-related financial disclosures

(06/12) · Sustainability

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

ESMA · Principles for third-party risk supervision

(06/12) · Risks

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

EBA · Revised list of validation rules on supervisory reporting

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

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

Council · Agreement on position to further harmonize national insolvency rules

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

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

Council · Decision on maintaining certain bank liquidity rules

(06/12) · Liquidity

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

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

(06/12) · Risks and capital · Market

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

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

(06/13) · Asset management · Compliance

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

EC · Targeted consultation on supplementary pensions

(06/13) · Asset management

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

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

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

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

Council · Agreement on a shorter settlement cycle

(06/18) · Capital markets

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

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

(06/18) · Payments and digital currency

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

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

(06/19) · Capital markets

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

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

(06/19) · Capital markets

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

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

(06/20) · Payments

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

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

(06/20) · Cryptoassets

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

ESMA · Call for input on streamlining financial transaction reporting

(06/23) · Compliance and conduct

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

EIOPA · Answer to consultation on capital markets integration

(06/19) · Capital markets

The European Insurance and Occupational Pensions Authority (EIOPA) has published its response to the European Commission (EC) consultation on capital markets integration in the European Union (EU). In its contribution, EIOPA emphasizes the need to strengthen cross-border investment and long-term financing, as well as to promote a more proportionate and coherent regulatory framework for the insurance sector. It also highlights the importance of improving financial literacy, transparency, and access to suitable products for consumers. This response will help inform future policy development under the Capital Markets Union Action Plan. ([more detail](#))

EBA · Analysis on standardised terminology in relation to payment accounts

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

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

ESMA · Consultation on streamlining financial transaction reporting

(06/20) · Payments/Transactional banking

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

ESMA · Consultation on how to simplify funds' data reporting

(06/23) · Asset management

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

ESMA · Consultation on margin transparency and cost of clearing

(06/24) · Conduct

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

ESMA · Guidance on a key tool for CCPs resolution

(06/26) · Recovery and resolution

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

ESMA · Advice on eligible assets for UCITS

(06/26) · Asset management

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

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

(06/26) · Cryptoassets

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

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

(06/26) · Sustainability

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

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

(04/08) · Accounting

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

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

(04/21) · Governance

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

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

(04/22) · Compliance

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

CNMV · Reporting requirements for cryptoasset service providers

(04/24) · Cryptoassets

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

CNMV · Five key guidelines to enhance crypto-assets regulation

(05/13) · Cryptoassets

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

UK

DSIT · Legislative measures to enhance cybersecurity and resilience

(04/01) · Technology

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

BoE · Public consultation on proposed amendments to PRA Rulebook and FCA Guidance

(04/03) · Compliance

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

BoE · Consultation on the reform of the regulatory framework for Alternative Investment Fund Managers

(04/07) · Asset management

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

FCA · Annual work programme for the 2025-2026 period

(04/08) · Work plan

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

BoE · Review of access to Real-Time Gross Settlement accounts for settlement

(04/08) · Payments

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

PRA · Proposal to accelerate the investment approval process for insurers

(04/08) · Solvency

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

PRA · Strategic plan and supervisory priorities for the 2025–2026 financial year

(04/10) · Supervisory expectations

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

BoE · Feasibility assessment of offline payments in a future digital currency

(04/10) · Central bank digital currencies

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

BoE · Design of the scheme rulebook and intermediary roles for a potential digital currency

(04/10) · Central bank digital currencies

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

FCA · Consultation paper on data decommissioning, removing reporting and notification requirements

(04/16) · Reporting and disclosure · Conduct

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

FCA · Consultation paper on proposals about product information under the consumer composite investments regime

(04/16) · Conduct

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

BoE · Policy Statement on management of step-in risk and oversight of shadow banking entities

(04/22) · Risks

The Bank of England (BoE) has published a policy statement (PS) on the identification and management of step-in risk, shadow banking entities, and groups of connected clients. This statement mandates that entities regulated by the Prudential Regulation Authority (PRA) regularly assess step-in risks, which refers to the likelihood of a financial institution providing support to an unconsolidated entity in stress situations, even without contractual obligations. Additionally, policies regarding exposures to shadow banking entities and groups of connected clients are strengthened to enhance financial stability and transparency. The new rules will take effect on January 1, 2026. [\(more detail\)](#)

PRA · Supervisory Statement: Step-in Risk

(04/22) · Risks

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

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

(04/23) · Compliance · Conduct

The Prudential Regulation Authority (PRA) has published a consultation paper (CP) 9/25, proposing to incorporate into the PRA Rulebook the organizational requirements currently set out in commission delegated Regulation of the European Union (EU)

2017/565, which supplements the Markets in Financial Instruments Directive (MiFID). The proposal aims to ensure regulatory continuity after the United Kingdom's (UK) departure from the EU, without introducing significant changes to the existing obligations for PRA-authorized firms, such as banks, building societies, and designated investment firms. The consultation is open until 23 June 2025. ([more detail](#))

FCA · Review of the capital definition applicable to investment firms

(04/24) · Capital

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

FCA · Consultation on defining capital for investment firms

(04/24) · Capital

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

FCA · Final guidance for insolvency practitioners on approaching regulated firms

(04/28) · Recovery and resolution

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

FCA · Feedback Statement on Consumer Duty

(04/28) · Conduct

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

BoE · Technical Standards for simplified obligations

(04/30) · Recovery and resolution · Compliance

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

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

(04/30) · Risks

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

FCA · Regulatory update on the derivatives trading obligation

(05/02) · Markets

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

FCA · Discussion paper for the regulation of cryptoasset activities

(05/06) · Cryptoassets · Conduct

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

FCA · Consultation paper of improving consumer access to mortgages

(05/07) · Compliance and conduct · Credit

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

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

(05/08) · Compliance · Credit

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

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

(05/09) · Capital markets · Conduct

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

BoE · Proposed regulation of buy now, pay later products

(05/19) · Credit

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

BoE · Proposed reform of the consumer credit Act 1974

(05/19) · Credit · Compliance

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

PRA · Monitoring and reporting update for international bank branches

(05/19) · Risks and capital

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

PRA · Capital requirements update for SME and infrastructure lending

(05/22) · Risks and capital

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

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

(05/22) · Risks and capital

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

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

(05/28) · Cryptoassets

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

HMT · Independent Review of the Loan Charge

(02/06) · Credit · Conduct

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

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

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

The Financial Conduct Authority (FCA) has published policy statement (PS) 25/6, which sets out the regulatory framework for the Private Intermittent Securities and Capital Exchange System (PISCES) within a sandbox environment. PISCES allows the sale and purchase of shares in private companies through intermittent trading events, with proportionate disclosure, participation, and market oversight rules tailored to a "private-plus" market that is more flexible than the public market. The regulation covers requirements for platform operators, intermediaries, rules of conduct, and amendments for adaption to the new system. Risk warnings, limits on investment incentives, and processes for categorizing qualified retail investors are also introduced. Among the next steps, operators can now apply for approval (PAN), and a consultation on annual fees is planned for November 2025. ([more detail](#))

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

(06/10) · Compliance

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

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

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

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

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

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

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

UK Gov · Cryptoasset reporting framework

(06/25) · Payments and digital currency

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

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

(06/25) · Sustainability

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

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

(06/25) · Sustainability

The Department for Energy Security and Net Zero has published a public consultation on climate-related transition plan requirements. The purpose of this publication is to gather views on how to implement the requirement for regulated financial institutions and large companies to develop and implement transition plans aligned with the 1.5°C objective of the Paris Agreement, as well as to assess different policy options, their scope, and their interaction with the rest of the regulatory framework

on sustainability. The consultation will be open until September 17, 2025, which is the deadline for submitting comments. In October 2025, the government will publish an updated plan setting out the policy package until the end of the sixth carbon budget, covering the period to 2037. In addition, the seventh carbon budget will be set by June 2026, in line with the UK's climate legislation. [\(more detail\)](#)

UK Gov · Exposure draft of the UK Sustainability Reporting Standards

(06/25) · Sustainability

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

Q2 Other publications of interest

American Region

US

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

(04/17) · Capital, liquidity and leverage

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

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

(04/24) · Cryptoassets · Supervisory expectations

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

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

(05/08) · Markets

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

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

(05/12) · Reporting y disclosure

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

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

(05/15) · Reporting and disclosure

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

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

(04/06) · Accounting

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

FDIC · Consultation on address payments and check fraud

(06/16) · Compliance and conduct

The Federal Deposit Insurance Corporation (FDIC), along with other federal bank regulatory agencies, has issued a request for comment on proposals aimed at addressing risks related to payments and check fraud. The document outlines emerging practices and technological changes impacting the security and efficiency of payment systems, including the rising threat of check fraud. Comments are open until August 16, 2025. ([more detail](#))

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

(06/23) · Other risks

The Federal Reserve Board (FRB) announced that reputational risk will no longer be a formal component of its bank supervision programs. This change involves removing references to reputational risk from supervisory materials, including examination manuals, and replacing them, where appropriate, with more specific discussions of financial risks. The aim is to focus supervision on tangible and measurable financial risks, such as credit, market, and operational risks. The FRB will train its examiners to ensure consistent implementation of this change and will work with other federal bank regulatory agencies to promote consistent practices. This adjustment does not alter the Board's expectation that banks maintain strong risk management to ensure safety,

soundness, and compliance with laws and regulations, nor does it affect how institutions internally manage reputational risk. [\(more detail\)](#)

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

(06/26) · Risks and capital · Governance

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

Argentina

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

(05/15) · Capital

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

BCRA · Modification of the monthly accounting information regime

(05/15) · Reporting and disclosure

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

Brazil

BCB · Amendment of accounting requirements for consortium resources

(04/08) · Accounting

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

BCB · Amendment of accounting requirements for rural credit

(04/09) · Accounting · Credit

The Central Bank of Brazil (BCB) has issued resolution nº 462, which amends annex I of document 6 of the Rural Credit Manual (RCM). This amendment adjusts the instructions and concepts related to the demonstration of the rural credit claims and applications, affecting the way in which financial institutions report and classify rural credit operations in their financial statements. The changes seek to improve transparency and consistency in the presentation of this data. [\(more detail\)](#)

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

(04/09) · Accounting · Sustainability

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

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

(06/26) · Cryptoassets

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

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

(06/26) · Risks and capital

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

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

(06/26) · Risks and capital · Sustainability

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

Chile

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

(04/14) · Payments

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

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

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

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

CMF · Public consultation on regulatory proposal for financial market development

(04/25) · Capital markets

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

CMF · Public consultation on proposed regulation for banking service channels

(05/02) · Compliance

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

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

(05/06) · Financial crime

The Financial Market Commission (CMF) has launched a second public consultation on the proposed update of regulatory file E24, aligned with Law n° 20.009. This file is a set of instructions and requirements established by the CMF related to the sending of periodic information on the use of payment cards and electronic transactions in cases of loss, theft, robbery or fraud. The purpose of the consultation is to enhance tracking of complaints and fraud notices in payment systems. The draft includes modifications based on prior feedback, adding new data fields, codes, and clarifications on deadlines, procedural stages, and court processes. The consultation aims to confirm whether the new fields adequately capture the range of scenarios covered by the law. The consultation is open until May 19, 2025. [\(more detail\)](#)

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

(05/23) · Risks and capital

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

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

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

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

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

(06/06) · Compliance

The Superintendency of Pensions (SP) has published General Regulation (NCG) 336, which establishes the regulatory framework for the collection of mandatory contributions due to the incorporation of the new employer contribution, in accordance with Law No. 21,735 on Pension Reform. The regulation governs how pension fund administrators (AFPs) and the Social Security Institute (IPS) must implement the new collection procedures, including the distribution of the initial 1% contribution between the worker's individual account (0.1%) and the Autonomous Pension Protection Fund (FAPP) (0.9%). It also provides detailed instructions on the processing, registration, and channeling of these contributions, as well as their gradual increase to a total of 7% of salary over nine years (extendable to eleven). The regulation will take effect for remuneration accrued as of August 1, 2025. [\(more detail\)](#)

CMF · Consultation on Requirements for New Financial Service Providers under the Fintech Law

(06/17) · Asset management

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

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

(04/30) · Sustainability · Risk management

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

SFC · Public consultation to eliminate obsolete and redundant regulations

(05/12) · Compliance and conduct

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

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

(05/13) · Capital markets

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

SFC · Functioning of immediate payment systems

(05/15) · Payments

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

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

(05/20) · Conduct

The Financial Superintendence of Colombia (SFC) has published for Public Consultation a draft external Circular establishing instructions for managing conduct risk within the framework of the Comprehensive Risk Management System (SIAR). The main objective is the creation of the Conduct Risk Management System (SARCO), aimed at promoting ethical and responsible behavior

by supervised entities, particularly in their dealings with financial consumers. The Circular outlines internal policy guidelines, mechanisms for identifying and controlling conduct risk, and principles applicable to commercial and contractual relationships. The Circular amends Chapter XXXI of the accounting and financial basic Circular (CBCF), and introduces a transition regime with implementation deadlines of 6, 12, and 18 months. Comments may be submitted until Friday, May 30, 2025. ([more detail](#))

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

(05/20) · Accounting

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

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

(06/17) · Risks and capital

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

SFC · Circular on the reissue of the CBJ

(06/25) · Capital and solvency

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

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

(06/26) · Risks and capital

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

Ecuador

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

(04/30) · Technology

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

Mexico

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

(04/23) · Governance

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

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

(06/23) · Solvency

The National Insurance and Bonding Commission (CNSF) published Circular Amendment 1/25 to the Single Circular on Insurance and Bonding. The update revises Annexes 5.15.3 and 7.2.5, including new indices for claims paid and administrative expenses for the valuation of surety reserves, and updates the statutory scenarios for the 2024 Dynamic Solvency Test. These include a

new hypothesis simulating the insolvency of the reinsurer or retrocessionaire with a minimum loss of 60% of the ceded risk. The amendment enters into force the day after its publication. ([more detail](#))

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

(06/23) · Solvency

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

Panama

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

(04/30) · Anti-corruption and bribery

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

Peru

SMV · Regulation and assessment of corporate crime prevention models

(04/01) · Financial crime

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

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

(05/13) · Reporting

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

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

(05/14) · Supervisory expectations

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

Q3 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. [\(more detail\)](#)

Q3 Other publications of interest

European Region

Europe

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 definition of default 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 research and 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 (IRRDR), 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 IRRDR. ([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 electro-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 mobilise 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 finalise 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 adapting the regulatory and supervisors of the Directive on collective investment institutions (IORP II) and the Regulation on Pan-European 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 a 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 InvestEU. 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) 300 for 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, cryptoactive 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 cryptoactive 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 cryptoasset 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 cryptoassets, in which they intend to apply the existing rules of the FCA Handbook to the entities that carry out regulated activities with cryptoassets. 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 cryptoassets regime. The document is part of the cryptoassets road map of the British government, and requires that companies obtain authorization before operating with regulated cryptoasset 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](#))

Q3 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 (NBFi). 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) · Cryptoassets

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, cryptoasset 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 cryptoasset-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 Fintec 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 Fintec 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 Superintendence 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 Superintendence 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 Superintendence 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 Superintendence 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](#))

Q4 Other publications of interest

Global

ISO · Publication of ISO 17298:2025 on integrating biodiversity into the strategy and operations of organizations

10/08 · Sustainability

The International Organization for Standardization (ISO) has published ISO 17298:2025. This new international standard provides a framework for organizations to identify and assess their impacts, dependencies, and risks related to biodiversity, and to integrate these considerations into strategic planning and daily operations. The standard sets out requirements and recommendations for prioritizing actions, defining measurable objectives, monitoring progress, and reporting on biodiversity performance. Its aim is to help organizations align with global biodiversity goals and contribute to sustainable development. ([more detail](#))

ISO · Standard ISO/IEC 27701:2025 on information security, cybersecurity, and privacy protection

10/17 · Cybersecurity

The International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) have published the new ISO/IEC 27701:2025 standard, which provides a comprehensive and up-to-date framework for establishing, implementing, maintaining, and continuously improving a Privacy Information Management System (PIMS). The first version of the standard was published in August 2019 with the aim of providing a specific framework for privacy management and the processing of personally identifiable information (PII), serving as a reference for demonstrating compliance with the General Data Protection Regulation (GDPR) and other international regulations. The 2025 standard modernizes the previous version, aligning it with the updated standards of the ISO 27000 family and reinforcing accountability and transparency in the processing of personal data. Key aspects include requirements for creating, implementing, and improving a more comprehensive PIMS; detailed guidelines on privacy risk management, regulatory compliance, and demonstration of accountability; and greater alignment with other standards such as ISO/IEC 27001, ISO/IEC 29100, ISO/IEC 27018, ISO/IEC 29151, and the GDPR. ([more detail](#))

BCBS · Basel III Monitoring Report

10/23 · Supervisory Expectations · Capital, liquidity and leverage

The Basel Committee on Banking Supervision (BCBS) has released the Basel III monitoring report for the end of 2024. Data indicates that large internationally active banks maintain capital ratios above the required minimums, with a stable leverage ratio and a Net Stable Funding Ratio (NSFR) exceeding 100%. However, a slight decrease in the Liquidity Coverage Ratio (LCR) was observed in some Group 1 banks. Group 2 banks showed improvements in both liquidity ratios without shortfalls. Additionally, an increase in the dividend payout ratio relative to profits was noted among Group 1 banks. ([more detail](#))

BIS · Technical amendment on hedging of counterparty credit risk exposures

10/28 · Capital, liquidity and leverage

The Bank for International Settlements (BIS) has published a technical amendment which addresses the use of fixed-or-capped protection and credit derivatives to hedge counterparty credit risk (CCR). The amendment clarifies that it does not apply to securities financing transactions (SFTs) under the internal-models method (IMM) or to securitisation exposures. The BIS sets 1 November 2028 as the implementation date and notes that it will monitor banks' practices to prevent regulatory arbitrage. ([more detail](#))

IOSCO · Recommendations for secondary market disclosure

11/05 · Reporting

The International Organization of Securities Commissions (IOSCO) has released the report about recommendations for secondary market disclosure, highlighting the importance for securities issuers to provide full, accurate, timely, and easily accessible information to investors. The report offers recommendations in line with Principle 16 of IOSCO's Objectives and Principles of Securities Regulation. The IOSCO recommends that jurisdictions define clear requirements regarding the frequency, scope, and format of disclosure, covering material events, financial results, corporate structure changes, and significant risks. It further calls for the use of official public channels to ensure fair access, the implementation of verification procedures to ensure accuracy, and effective enforcement mechanisms in case of non-compliance. ([more detail](#))

IOSCO · Public consultation on general business risk guidance for financial market infrastructures

11/07 · Capital, liquidity and leverage · Compliance and conduct

The International Organization of Securities Commissions (IOSCO), together with the Committee on Payments and Market Infrastructures (CPMI), has published two documents on general business risk management and business losses by financial market infrastructures (FMIs). The first is an assessment report that reviews the implementation of Principle 15 of the Principles for FMIs (PFMI) in 34 FMIs and identifies serious issues related to liquid assets funded with capital to cover potential losses, recovery planning and orderly closure, and mechanisms for raising additional capital. The second is a consultative report, which proposes guidance for FMIs and relevant authorities, complementing the PFMI, and is open for comment until February 6, 2026. ([more detail](#))

IASB · Amendments to IAS 21 about the effects of changes in foreign exchange rates

11/13 · Accounting

The International Accounting Standards Board (IASB) has issued amendments to International Accounting Standard (IAS) 21 about the effects of changes in foreign exchange rates, clarifying how entities should translate their financial statements into a hyperinflationary presentation currency. These narrow-scope amendments aim to enhance the usefulness of the information in a cost-effective manner, reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency. They are effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. ([more detail](#))

NGFS · Update of the guide to climate scenario analysis

11/13 · Sustainability

The Network for Greening the Financial System (NGFS) has released an updated version of its Guide to Climate Scenario Analysis, aimed at central banks and supervisors. This update incorporates best practices in scenario design, data and modelling, and places greater emphasis on short-term scenarios to assess near-term financial risks stemming from climate change. The guide serves as a practical reference for integrating climate scenarios, both physical and transition risks, into risk management and decision-making processes. ([more detail](#))

IOSCO · Public consultation to update investment fund valuation principles

11/17 · Compliance and conduct · Asset and liability management

The International Organization of Securities Commissions (IOSCO) has published a consultation paper proposing to update the valuation principles applicable to collective investment schemes (CIS), including hedge funds. The document sets out 13 revised recommendations addressing governance, management of conflicts of interest, valuation in stressed market conditions, use of external providers, review of expired valuations, and record keeping. The revision responds to the growing exposure of CISs to less liquid assets and market developments since the original principles were issued in 2007 and 2013. IOSCO invites its members and market participants to submit comments by February 2, 2026, and plans to publish the final report in the second or third quarter of the year. ([more detail](#))

FSB · 2026 Workprogramme

11/19 · Supervisory expectations

The Financial Stability Board (FSB) has approved the work programme for 2026, combining close monitoring of vulnerabilities with new policy initiatives. The statement highlights risks from historically stretched asset valuations, particularly in Artificial Intelligence (AI) related securities, elevated government debt, the rapid growth of private credit markets and highly leveraged non-bank participants in sovereign bond markets, as well as specific challenges for emerging market and developing economies. The FSB has set priorities to modernise regulation and supervision, address risks from crypto-assets and stablecoins, enhance the resilience of non-bank financial intermediation, promote action plans to improve cross-border payments, move to the second phase of its strategic review of implementation monitoring and further develop its work on resolution, including crisis preparedness, funding in resolution and recovery and resolution planning for insurers. ([more detail](#))

IASB · New accounting model to reflect how financial institutions manage interest rate risk

12/03 · Accounting

The International Accounting Standards Board (IASB) has proposed a new accounting model to better represent how financial institutions manage interest rate risk on a net basis. The model aims to provide greater transparency into how interest rate risk management affects financial performance and future cash flows. The proposed requirements would allow entities to apply the model if their business activities expose them to repricing risk, which they manage on a net basis using derivatives. The model focuses on representing the entity's risk management activities rather than governing or restricting risk management. The proposal of the new model is open to comments until July 31, 2026. ([more detail](#))

BCBS · Consultation on standard format for machine-readable disclosures

12/05 · Non-financial reporting

The Basel Committee on Banking Supervision (BCBS) has published a consultation on a standard format for machine-readable disclosures by banks. The proposed standard would make existing disclosure by banks more accessible and easier to aggregate. Banks would be required to publish their Pillar 3 disclosures in standardised machine-readable formats, without changing the underlying disclosure requirements. National supervisors would decide whether banks should publish the machine-readable disclosures on their own websites or via a centralised data repository. Consultation closes on March 5, 2026. ([more detail](#))

BCBS · Final version of the principles for the sound management of third-party risk

12/10 · Third Parties (Suppliers)

The Basel Committee on Banking Supervision (BCBS) has published the final version of its principles for the prudent management of third-party risk, introducing several key enhancements compared to the consultation paper. Notably, the principles strengthen the ultimate accountability of the board of directors, requiring it to explicitly define third-party risk appetite and tolerance for disruption, and to receive direct reporting on provider performance and material risks. The risk assessment is further emphasised as a dynamic and ongoing process throughout the entire life cycle of third-party arrangements, to be updated following material changes. Due diligence expectations are expanded to cover providers' ability to manage their own supply chains (including relevant third parties), known and potential risks, and the costs and benefits of the arrangement. Contractual expectations are clarified with respect to access and audit rights and business continuity obligations for critical services, while insurance coverage is addressed through due diligence rather than as a minimum contractual clause. The principles also reinforce expectations on onboarding, ongoing monitoring of providers and concentration risk assessment, as well as on business continuity and exit strategies, which should be based on plausible scenarios and reviewed regularly. Finally, supervisory expectations are strengthened, with third-party risk explicitly assessed within operational risk and operational resilience frameworks, an expanded toolkit to identify systemic risks, and enhanced cross-border and cross-sectoral supervisory cooperation for critical third-party providers. ([more detail](#))

Q4 Other publications of interest

European Union

EBA · Work Programme 2026

(10/01) · Supervisory expectations

The European Banking Authority (EBA) has published its Work Programme outlining the key priorities and initiatives for 2026. Besides focusing on three key priorities, the EBA's work will aim at strengthening the simplicity and efficiency of the regulatory and supervisory framework for banks and financial entities in the European Union (EU), in close cooperation with the relevant EU and non-EU stakeholders. In this respect, the EBA launched a comprehensive assessment of the framework, and decided to engage in 21 actions to enhance its efficiency. The 2026 Work Programme includes specific actions for next year for each of the four areas under review. The EBA will report on a regular basis on the implementation of all the recommendations. ([more detail](#))

EFRAG · EFRAG launches Multi-Language VSME Digital Template for SMEs sustainability reporting across Europe

10/03 · Sustainability · Reporting

The European Financial Reporting Advisory Group (EFRAG) has published the multilingual VSME digital template for sustainability reporting by SMEs across Europe. This update reflects the European Commission (EC) recommendation on VSME launched in July 2025 and aligns with the Extensible Business Reporting Language (XBRL) Taxonomy published in May 2025. This template is expected to facilitate sustainability reporting for SMEs in Europe. ([more detail](#))

ESMA · ESMA 2026 Work Programme

10/10 · Supervisory expectations

The European Securities and Markets Authority (ESMA) has published its Work Program for 2026, which aims to move towards more integrated, accessible, and competitive financial markets in the European Union (EU). This program sets out the priorities and actions that the authority will carry out to improve the regulation and supervision of the financial sector. The initiatives described in the program are expected to be implemented starting in 2026. ([more detail](#))

EC · De-prioritisation of Level 2 acts in financial services legislation

10/08 · Compliance

The European Commission (EC) has published a plan to deprioritize 115 non-essential Level 2 acts in financial services legislation, in line with its broader simplification agenda. This approach seeks to optimize regulation and facilitate compliance for financial institutions, as a high volume of Level 2 acts can generate compliance costs and regulatory complexity for stakeholders, while requiring significant resources from co-legislators to examine them. ([more detail](#))

ESMA · Consultation on CCP participation requirements

10/10 · Credit & capital

The European Securities and Markets Authority (ESMA) has launched a consultation on draft regulatory technical standards (RTS) regarding the elements to be taken into account when central counterparties (CCPs) define participation requirements. This process seeks to obtain opinions on the conditions that entities must meet in order to participate in these institutions. The consultation is open until October 10, 2025. ([more detail](#))

EIOPA · Set of consultations related to the Solvency II Review

10/10 · Credit & capital

The European Insurance and Occupational Pensions Authority (EIOPA) has launched a new series of consultations on legal instruments arising from the Solvency II framework review, which includes 2 revised Implementing Technical Standards (ITS), 2 revised Guidelines (GL), 1 set of new Regulatory Technical Standards (RTS), and 1 set of Guidelines. These consultations cover topics such as the calculation of the Solvency Capital Requirement, liquidity risk management, and supervisory powers to address deficiencies in insurers' liquidity management, aiming to improve the regulation and supervision of insurers in Europe. The deadline for submitting comments is 5 January 2026. ([more detail](#))

EP · Simplification of sustainability reporting and due diligence obligations within the Omnibus package

13/10 · Sustainability · Reporting

The European Parliament (EP) has presented a legislative proposal within the Omnibus package that simplifies sustainability reporting and due diligence obligations, limiting their application to large companies with more than 1,000 employees and annual net turnover exceeding €450 million. It also provides for the creation of a single digital portal with free guides and templates, the removal of civil liability at the European Union (EU) level, and the simplification of sectoral requirements to reduce the administrative burden. Following approval in plenary, negotiations between MEPs and EU governments are expected to begin on October 24, 2025. ([more detail](#))

EC · International Roadmap for a clean and resilient transition

16/10 · Sustainability

The European Commission (EC) has unveiled a new international roadmap to secure Europe's leadership in the global energy transition. The strategy focuses on strengthening cooperation with key partners, boosting investments in clean and resilient technologies, and promoting high environmental and social standards in international markets. Additionally, it aims to diversify energy sources and reduce dependence on unsustainable supplies, aligning with the European Union's (EU) climate and geopolitical objectives. [\(more detail\)](#)

EBA · Response to proposals to amend liquidity standards**10/10 · Market & ALM · Cryptoassets**

The European Banking Authority (EBA) has published a response to the European Commission's (EC) proposals on changes to technical standards related to asset reserve liquidity requirements under the Markets in Cryptoassets Regulation (MiCA). The EBA plays a key role in the stability of the European Union (EU) banking sector and in promoting convergent supervisory practices. This response is part of its ongoing commitment to the regulation of the European financial system. [\(more detail\)](#)

EU · Conclusions about tax incentives for clean technologies and industry**10/10 · Sustainability · Tax**

The Council of the European Union (Council) has published conclusions on the use of tax incentives to support clean technologies and industry. These conclusions emphasize the importance of fostering investment in sustainable technologies and the need for a fiscal framework that supports the ecological transition. It is expected that these measures will boost innovation and competitiveness in the sector. [\(more detail\)](#)

ESMA · Key reforms to settlement discipline to support the transition to the T+1 cycle**13/10 · Wholesale business**

The European Securities and Markets Authority (ESMA) has proposed key reforms to settlement discipline to enhance the efficiency and safety of financial transactions in the European Union (EU). Measures include shorter timelines for trade confirmation and allocation, the introduction of tools such as automatic partial settlement, and improvements to pre-settlement processes, all aimed at supporting the transition to the T+1 settlement cycle, meaning that financial transactions are settled one business day after the trade. [\(more detail\)](#)

ESMA · 2025 European common enforcement priorities and results of fact-finding on materiality in sustainability reporting**14/10 · Supervisory Expectations**

The European Securities and Markets Authority (ESMA) has released its 2025 European common enforcement priorities, focusing on key areas of annual financial reports from listed issuers. Highlighted aspects include the assessment of geopolitical risks, segment reporting, and materiality considerations in sustainability disclosures under the European Sustainability Reporting Standards (ESRS). These priorities aim to enhance transparency and the quality of financial information, promoting greater investor protection and market stability. ESMA has also published the results of a fact-finding exercise on 2024 sustainability reporting practices, focusing on materiality assessment and its impact on future regulation. [\(more detail\)](#)

EBA · Annual Work Programme 2026**16/10 · Supervisory Expectations**

The European Supervisory Authorities (ESAs) have published their Work Program for 2026. The program sets out joint priorities to strengthen the digital operational resilience of the financial system, improve consumer protection, foster financial innovation, and monitor emerging cross-sectoral risks. It includes the supervision of critical Information and Communication Technology (ICT) providers under the Digital Operational Resilience Act (DORA), the regulation of retail investment products (PRIIP), the supervision of sustainability disclosures (SFDR), the monitoring of securitizations and financial conglomerates, and supporting innovation and coordination in artificial intelligence and credit rating agencies (ECAI). The initiatives will be implemented throughout 2026, seeking supervisory convergence, transparency, and financial stability. [\(more detail\)](#)

ESMA · Recommendations for targeted revisions to the investment firms' prudential framework**15/10 · Market & ALM · Compliance and conduct**

The European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) have issued technical advice in response to the European Commission's (EC) call for advice on the Investment Firms Regulation (IFR) and Investment Firms Directive (IFD). They propose limited changes to the current prudential framework, which has proven to be fit-for-purpose based on stakeholder feedback. The recommendations aim to enhance the proportionality and functioning of the framework and improve its ability to contribute to a level playing field among investment firms and other financial institutions performing similar activities. [\(more detail\)](#)

EIOPA · Guidelines on promoting diversity in (re)insurers' governance bodies**14/10 · Conduct**

The European Insurance and Occupational Pensions Authority (EIOPA) has issued new guidelines to promote diversity within the administrative, management, and supervisory bodies (AMSBs) of (re)insurance undertakings. These guidelines are in response to a recent amendment to the Solvency II Directive, which mandates insurers to implement policies promoting diversity, including setting quantitative gender balance objectives. EIOPA emphasizes the importance of considering factors such as educational and professional background, age, gender, and geographical origin when selecting AMSB members. The guidelines will become applicable as of 30th January 2027. [\(more detail\)](#)

EIOPA · Update of the technical documentation on risk-free interest rate term structures

16/10 · Other risks

The European Insurance and Occupational Pensions Authority (EIOPA) has published an updated version of the technical documentation outlining the methodology for deriving risk-free interest rate term structures (RFR). This update incorporates the results of the 2025 Deep, Liquid, and Transparency (DLT) Assessment and Bulgaria's adoption of the euro as of January 1, 2026. The changes will take effect in January 2026. ([more detail](#))

EC · Work Programme 2026

10/21 · Supervisory expectations

The European Commission (EC) has published its Work Programme for 2026, setting out 38 new political objectives and 47 legislative initiatives, 25 of which include a significant simplification component. The programme comprises five annexes new initiatives; annual plan for evaluations and fitness checks; list of pending proposals; intended withdrawals and repeals. Priorities include competitiveness, sustainability, and digitalization, with a focus on reducing administrative burdens and enhancing the implementation of legislation. ([more detail](#))

EC · Package of targeted measures to strengthen competitiveness

10/21 · Sustainability · Others

The European Commission (EC) has today proposed targeted measures to support companies, global stakeholders, third countries, and Member States, aiming to ensure the competitiveness of the European Union (EU) in an increasingly challenging global economic environment. Key actions include simplifying regulatory processes for innovative companies, supporting the internationalization of small and medium-sized enterprises (SMEs) and startups, and promoting investment in strategic key sectors. The EC calls on the European Parliament (EP) and the Council to swiftly adopt the proposal for an extended implementation period by the end of 2025. ([more detail](#))

SRB · Public consultation on its new operational communication guidelines for Banks

10/17 · Conduct · Recovery and resolution

The Single Resolution Board (SRB) has published a public consultation on its new operational communication guidelines for banks, which includes the operational Guide on communication for banks and the communication Supplement to the operational Guide on resolvability testing for banks. The aim is to establish a common framework that will enable institutions to develop clear and coordinated communication plans, test resolution scenarios, and improve their preparedness for potential financial crises. The public consultation will remain open until December 12, 2025. ([more detail](#))

ESRB · Report on systemic risks from crypto-assets

10/20 · Cryptoassets

The European Systemic Risk Board (ESRB) has published a report examining three key areas of the crypto-asset ecosystem; stablecoins; crypto-asset investment products and multi-function groups. The report highlights risks associated with stablecoins jointly issued by European Union (EU) and third-country entities, identifying vulnerabilities that could impact the EU's financial stability. In response, the ESRB has issued a recommendation urging public authorities to address these risks, leaving it to the Member States to define and implement the corresponding actions between the end of 2025 and the end of 2027. ([more detail](#))

ESMA · RTS for loan-originating alternative investment funds

10/21 · Market and ALM

The European Securities and Markets Authority (ESMA) has published a final report with Regulatory Technical Standards (RTS) for loan-originating alternative investment funds (AIFs) maintaining an open-ended structure. These standards set requirements on liquidity management systems, availability of liquid assets, stress testing and redemption policies, tailored to the nature of underlying loans and their repayment timelines. The RTS have been submitted to the European Commission (EC) for adoption, which must decide whether to adopt them within three months, with a possible one-month extension. ([more detail](#))

EP · Rejection of the Omnibus I package proposal

10/22 · Sustainability · Reporting

The European Parliament (EP) has rejected the proposal of the Committee on Legal Affairs (JURI) regarding the Omnibus I package, which aimed to simplify corporate sustainability and due diligence rules, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). JURI had proposed to start direct negotiations with the Council of the European Union (EU) and the European Commission (EC) through trilogues without a plenary vote and to raise the thresholds for application of both directives to reduce the number of companies covered. The rejection focused on limited parliamentary control, the perceived excessive level of deregulation, and insufficient balance between simplification and protection of small and medium-sized enterprises (SMEs). The EP will decide on the amendments to the Omnibus I package at the plenary session on 13 November 2025. ([more detail](#))

EFRAG · Assessment of IFRS 16 Leases implementation

10/23 · Accounting

The European Financial Reporting Advisory Group (EFRAG) has published its Final Comment Letter (FCL) on the International Financial Reporting Standard (IFRS) 16 Leases, following the post-implementation review requested by the International Accounting Standards Board (IASB). The EFRAG notes that the standard works well for straightforward leases, improving transparency and comparability. It identifies areas for improvement, such as cash flow presentation, scope for certain intangible assets, and consistency with other IFRS, and recommends that the IASB provide clarifications and illustrative examples. ([more detail](#))

Council · Approval of regulatory framework for compulsory licensing in crisis situations

10/27 · Compliance

The Council of the European Union has approved a new regulatory framework enabling the granting of compulsory licences of intellectual-property rights in crisis situations, when voluntary negotiations fail. The procedure can only be triggered after the activation of crisis or emergency mode at EU level. The regulation sets these licences as a measure of last resort, excludes specific sectors such as defence, chips and gas, and protects trade secrets. It establishes a Union-wide mechanism to ensure access to critical products in cross-border emergencies. The text still needs to be approved in a plenary session of the European Parliament. ([more detail](#))

EBA · Consultation on the revised Guidelines on the Supervisory Review and Evaluation Process (SREP) and supervisory stress testing

10/24 · Capital, liquidity and leverage

The European Banking Authority (EBA) has launched a public consultation on the revision of its Guidelines on the Supervisory Review and Evaluation Process (SREP) and Supervisory Stress Testing, aiming to enhance the consistency and effectiveness of the prudential supervisory framework across the European Union. The proposals update methodologies for risk assessment, determination of additional capital requirements, and integration of stress-test results within the SREP. They also strengthen proportionality by tailoring the guidelines' application to institutions' size, business model, and risk profile. The consultation will be open until January 26, 2026 and the Guidelines will be applicable from January 1, 2027. ([more detail](#))

ECB · Progress in the digital euro project

10/30 · Digital currencies

The European Central Bank (ECB) has published the advancement to the next phase of the digital euro project. This project aims to modernize the payment system in the euro area and provide a digital alternative to cash payments. This new phase is aimed at ensuring the technical readiness of the system for a potential first issuance as early as 2029, provided the necessary legislation is adopted during 2026. ([more detail](#))

EBA · Legal advice about the foundations of the new anti-money laundering and countering the financing of terrorism regime to the European Commission

10/30 · Anti Money Laundering

The European Banking Authority (EBA) has published advice to the European Commission on the foundations of the new anti-money laundering and countering the financing of terrorism (AML/CFT) regime. The recommendations include a risk-based and proportionate approach, a harmonised methodology for assessing obliged entities' inherent and residual risk profiles, and common criteria for sanctions and supervision. This advice aims to contribute to the stability and effectiveness of the European financial system. Moreover, the EBA will transfer its AML/CFT mandate to the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) on 31 December 2025. ([more detail](#))

EBA · Final draft of RTS on criteria to assess the materiality of CVA risk exposures arising from securities financing transactions

10/29 · Capital, liquidity and leverage

The European Banking Authority (EBA) has published the final draft of Regulatory Technical Standards (RTS) on credit valuation adjustment (CVA) risk arising from fair-valued securities financing transactions (SFTs). Pursuant to Capital Requirements Regulation (CRR), the proposal sets a quantitative threshold of 5% to determine when CVA risk exposures from fair-valued SFTs are material and mandates a quarterly assessment. ([more detail](#))

EDPB · Public consultation on templates and resources to facilitate compliance with GDPR

11/05 · Compliance and conduct · Reporting

The European Data Protection Board has launched a consultation to identify templates that would facilitate compliance with the General Data Protection Regulation (GDPR) for organizations. The resources committed include: i) a series of ready-to-use templates for organisations; ii) a common data breach notification template for Data Protection Authorities (DPAs), aimed at streamlining reporting procedures and reducing burdens on organisations; iii) direct, easy-use resources such as checklists, how-to guides and FAQs. The EDPB also commits to enhancing the consistency of GDPR interpretation and enforcement by DPAs through the collection of national positions, review of existing guidelines and development of common tools and methodologies. Comments can be received until December 3, 2025. ([more detail](#))

Council · Amendment to the European Climate Law

11/05 · Sustainability

The Council of the European Union (EU) has reached an agreement to amend the European Climate Law (ECL), setting a binding target of a 90 % net reduction in greenhouse gas (GHG) emissions compared to 1990 levels by 2040. The agreement includes new flexibilities such as the contribution of international carbon credits up to 5 % from 2036, the incorporation of permanent CO₂ removals into the European Union (EU) Emissions Trading System to compensate for hard-to-abate emissions, and a strengthened biennial review mechanism of the targets. The Council presidency will start negotiations with the European Parliament once the latter adopts its position, with a view to agreeing on the final text of the amendment. ([more detail](#))

EBA · Public Consultation on the Guidelines on the authorization of TCBs under CRD

11/04 · Capital, liquidity and leverage

The European Banking Authority (EBA) has launched a public consultation on the Guidelines for the authorisation of third-country branches (TCBs) under the Capital Requirements Directive (CRD). The initiative aims to establish common criteria for the assessment, content and procedure of TCB authorisations, thereby strengthening supervisory convergence and ensuring consistent application of the new prudential regime across the European Union (EU). The consultation addresses the main elements of the new authorisation process for TCBs within the European Economic Area (EEA) and seeks feedback from stakeholders on key aspects relevant to its practical implementation. These include: i) the scope and substance of the no-objection statement from the home-country authority, and whether it should include an assessment of the parent institution's soundness and governance; ii) the proportionality of the information required on the programme of operations, governance structure and control mechanisms; iii) the conditions under which competent national authorities (NCAs) may rely on documentation submitted in previous TCB authorisation procedures; and iv) the clarity and flexibility of procedural elements, including timelines, steps and communications. The public consultation will remain open until 3 February 2026, and a virtual public hearing will be held on 10 December 2025, with registration closing on 8 December at 16:00 Central Europe Time (CET). ([more detail](#))

EBA · Final Guidelines on ESG scenario analysis

11/05 · Capital, liquidity and leverage · Sustainability

The European Banking Authority (EBA) has issued the final Guidelines on ESG scenario analysis, complementing the ESG risk management Guidelines and implementing Article 87a(5) of the Capital Requirements Directive (CRD VI). The Guidelines set out common methodologies for institutions to assess their resilience to adverse environmental impacts particularly physical and climate transition risks through scenario analysis and dedicated stress testing. The final text limits the scope to environmental factors, strengthens integration into institutions' governance and strategy, and introduces a three-tier proportionality approach (large institutions, less significant institutions, and small and non-complex institutions). It replaces the procedural model with a results-based approach, establishes a minimum 10-year time horizon, and designates the static balance sheet as the primary method. A new section details how outcomes must feed into the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP), and the Supervisory Review and Evaluation Process (SREP), as well as align with sustainability and transition plans required under the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). The Guidelines will apply from 1 January 2027. ([more detail](#))

EC · Delegated Regulation on the amendments to the disclosure requirements of the ESRS

11/10 · Sustainability · Reporting

The European Commission has published the Delegated Regulation 2025/1416 which amends the Delegated Regulation 2023/2772 to postpone certain European Sustainability Reporting Standards (ESRS) disclosure requirements for wave 1 companies. It replaces appendix C of ESRS 1 to extend phase-in reliefs, allowing these companies to omit specific data points in the 2025 and 2026 financial years, such as anticipated financial effects (ESRS 2 SBM-3), Scope 3 emissions, biodiversity, and social risk disclosures. Companies with more than 750 employees may now opt out of reporting on ESRS E4 and ESRS S2-S4 during these years. Those applying the relief must disclose in their sustainability statement that they used the exemptions and confirm whether they consider these topics as material. ([more detail](#))

EDPS · Guidance on risk management for IA systems

11/11 · Artificial Intelligence

The European Data Protection Supervisor (EDPS) has published guidance on risk management for Artificial Intelligence (AI) systems, based on ISO 31000:2018. The guidelines cover the entire AI lifecycle, from design and data preparation to decommissioning, and include risk assessments when acquiring third-party systems. They emphasize the need for interpretability and explainability to ensure auditable decisions aligned with organizational objectives, and highlight risks related to fairness, accuracy, data minimization, security, and data subject rights, including generative AI-specific threats such as prompt injection and jailbreaking. ([more detail](#))

EP · Endorsement and additional adjustments to the Omnibus proposal

11/13 · Sustainability · Reporting

The European Parliament (EP) has adopted a position on the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D) that significantly modifies the European Union (EU) Council's mandate of June 2025. The main changes include: i) raising the thresholds for application to companies with at least 1,750 employees and a turnover of more than €450 million, unifying the CSRD and CS3D criteria and significantly reducing the universe of companies subject to the directive; ii) a more proportionate due diligence approach based on reasonably available information and prioritisation by severity and likelihood of impacts, limiting contact with business partners to justified cases only; iii) explicit protection of trade secrets; iv) precise restrictions on value chain information and the use of voluntary standards (ESRS) for small entities; v) complete removal of the obligation for climate transition plans under CS3D; vi) maintenance of the maximum limit for financial penalties of 5% of turnover as set out in the final version of CS3D of 2024; and vii) creation of a single digital portal to centralise templates and guidelines. The CS3D operational guidelines will be published on 26 July 2026, the application to the first group of companies within the scope of this Directive is delayed until 26 July 2028, and the review of the first ESRS must be completed within six months of the entry into force of the amending Directive. ([more detail](#))

NGFS · Update of the guide to climate scenario analysis

11/13 · Sustainability

The Network for Greening the Financial System (NGFS) has released an updated version of its Guide to Climate Scenario Analysis, aimed at central banks and supervisors. This update incorporates best practices in scenario design, data and modelling, and places greater emphasis on short-term scenarios to assess near-term financial risks stemming from climate change. The guide serves as a practical reference for integrating climate scenarios, both physical and transition risks, into risk management and decision-making processes. [\(more detail\)](#)

EIOPA · RTS on new macroprudential requirements following the Solvency II review

11/17 · Capital, liquidity and leverage

The European Insurance and Occupational Pensions Authority (EIOPA) has submitted to the European Commission (EC) two draft Regulatory Technical Standards (RTS) aimed at enhancing the macroprudential framework introduced by the Solvency II review. The standards cover: i) Liquidity Risk Management Plans (LRMPs) requiring insurers to conduct medium- and long-term liquidity analyses and update them at least annually; and ii) macroprudential analyses to be integrated into the Own Risk and Solvency Assessment (ORSA) and the Prudent Person Principle (PPP). The CE has three months to decide on their adoption. [\(more detail\)](#)

ECB · Supervisory priorities 2026-2028

11/18 · Supervisory expectations

The European Central Bank (ECB) has set three strategic priorities in line with macro-financial, geopolitical, and technological risks. As priority 1, strengthen banks' resilience to geopolitical and macro-financial risks by maintaining prudent credit practices, adequate capitalization under the Capital Requirements Regulation (CRR) III, and effective management of climate and nature-related risks. As priority 2, enhance operational and ICT resilience by addressing operational risk deficiencies, cybersecurity, business continuity, and risk data aggregation and reporting (RDARR), in compliance with Digital Operational Resilience Act (DORA). Finally, as medium- and long-term priority, advance digital and Artificial Intelligence (AI) strategies with strong governance, risk controls, and oversight of emerging technologies, ensuring that digital transformation and cloud adoption are aligned with banks' business models and risk profiles. [\(more detail\)](#)

ECB · Update of the SREP methodology 2025

11/18 · Capital, liquidity and leverage

The European Central Bank (ECB) has published the updated methodology for the Supervisory Review and Evaluation Process (SREP). The document preserves the overall 2024 structure but introduces a more streamlined approach through more concise SREP decisions, removal of executive letters and greater use of the risk tolerance framework and the multi-year approach (MYA) in the business model assessment. In addition, it introduces a tiered approach to governance and risk findings, prepares the transition to the new Pillar 2 methodology and adjusts the intensity of liquidity assessments through enhanced analytical tools. [\(more detail\)](#)

ECB · Aggregated results of the 2025 SREP

11/18 · Capital, liquidity and leverage

The European Central Bank (ECB) has published the results of the 2025 Supervisory Review and Evaluation Process (SREP), which show a resilient sector, with capital requirements and guidance for 2026 at 15.6%. The report highlights improvements in profitability and efficiency, although risks remain due to the slowdown in net interest margins and external uncertainty. Weaknesses are identified in governance, risk data aggregation and risk reporting (RDARR), board composition, and control functions. Credit risk combines progress on non-performing loans (NPLs) with deterioration in commercial real estate and pressures on SMEs. Capital remains stable with greater scrutiny of the internal capital adequacy assessment process (ICAAP). Operational and information and communication technology (ICT) risk continues to be the weakest, and climate and environmental risks remain a supervisory priority. [\(more detail\)](#)

Council · Provisional agreement on EU insolvency rules

11/19 · Compliance and conduct

The Council of the European Union (EU) has, together with the European Parliament (EP), reached a provisional agreement on a directive harmonising certain aspects of insolvency law in the EU. The directive will set minimum common standards for avoidance actions, grant insolvency practitioners access to bank account, beneficial ownership and other registers, and introduce a prepack proceeding available in all member states. It also will align directors' duty to file for insolvency, lays down rules on creditors' committees and require national factsheets on insolvency law to be published. The agreement must be confirmed and adopted by both institutions. [\(more detail\)](#)

EC · Amendments to the sustainable finance disclosure regulation

11/20 · Sustainability

The European Commission (EC) has proposed a set of amendments to the Sustainable Finance Disclosure Regulation (SFDR) to simplify and improve the efficiency of transparency requirements for financial products with environmental or social objectives. The reforms seek to reduce the complexity and length of disclosures, eliminate entity-level principal adverse impact requirements for financial market participants, and introduce a clear product categorisation system with at least 70% of investments aligned. The EC proposal will now be submitted to European Parliament (EP) and Council for their deliberation. [\(more detail\)](#)

EBA · Final technical package for its reporting framework

11/25 · Reporting · Transactional banking · Recovery and resolution · Operational risk · Market risk

The European Banking Authority (EBA) has published the final technical package for version 4.2 of its reporting framework, marking an important step in the implementation of the data point model (DPM) 2.0 semantic glossary and the modernization of supervisory reporting across the European Union (EU). The package includes the deployment of DPM 2.0, new reporting requirements for instant payments, resolution planning, operational

risk, and supervisory reference for market risk. The EBA may issue a specific update in early 2026 to address any urgent issues that arise during the initial implementation phase. [\(more detail\)](#)

SRB • 2026 work programme

11/26 • Supervisory expectations • Recovery and resolution

The Single Resolution Board (SRB) has published its 2026 Annual Work Programme, outlining its key objectives and priorities for the year. The SRB will focus on implementing a revamped resolvability assessment and a new multi-annual testing framework, in close collaboration with national resolution Authorities. It will also continue to organize deep-dives, increase on-site inspections, and streamline decision-making processes. Additionally, the SRB will hold its first economic conference to explore key economic issues related to resolution. [\(more detail\)](#)

EC • Public consultation on Regulation about formats for submitting beneficial ownership information

11/26 • Anti money laundering • Reporting

The European Commission (EC) has launched a public consultation on the standardised formats that Member States must use to submit beneficial ownership information to central registers, as part of the new European Union (EU) anti-money laundering (AML) framework. The initiative aims to establish common specifications to ensure interoperability, consistency in mandatory data fields, cross-border comparability and minimum data-quality standards for submissions made by entities and national authorities. The consultation seeks feedback on technical requirements, definitions, data-structure elements and update mechanisms in preparation for the adoption of the related implementing act and closes on December, 24. [\(more detail\)](#)

EP • Agreement on the Payment Services Regulation and the third Payment Services Directive

11/27 • Digital transactions • Fraud prevention • Cybersecurity

The European Parliament (EP) has reached an agreement on the Payment Services Regulation (PSR) and the Third Payment Services Directive (PSD3) to create a more open and competitive European Union (EU) payment services sector. Key provisions include mandatory fraud prevention measures, transparency on fees and charges, improved access to cash, and a simplified authorization process for payment institutions. The deal needs to be formally adopted by the EP and Council. [\(more detail\)](#)

EC • Legislative proposals to reform the PEPP Regulation, the IORP II Directive, and the IDD

12/01 • Asset management

The European Commission (EC) has published a legislative package consisting of a proposal for a Regulation amending the Regulation on the pan-European Personal Pension Product (PEPP) and a proposal for a Directive amending Directive on the activities and supervision of Institutions for Occupational Retirement Provision (IORP II) and the Insurance Distribution Directive (IDD). The package aims to strengthen the design, governance and transparency of supplementary pension products, enhance their efficiency and performance and expand their long-term investment capacity. The PEPP amendments remove structural features that had limited take-up, introduce a mandatory life-cycle investment strategy for the Basic PEPP and reinforce the prudent person principle with explicit integration of ESG factors. Transparency requirements are expanded, and use of the PEPP is enabled within automatic enrolment systems and employer contribution schemes. The amendments to IORP II and IDD harmonise the authorisation and supervisory framework, reinforce transparency on costs, returns and risks, introduce new member-protection and disclosure obligations, establish stress-testing requirements for certain IORPs and ensure consistent information standards for pension products offered by insurers. The public consultations run until 28 January 2026; the amended Regulation will apply one year after entry into force and Member States will have 12 months to transpose the amended Directive. [\(more detail\)](#)

EFRAG • Technical advice on draft simplified ESRS

12/03 • Sustainability • Reporting

The European Financial Reporting Advisory Group (EFRAG) has delivered its technical advice to the European Commission (EC) on the draft simplified European Sustainability Reporting Standards (ESRS). This marks a crucial step in reducing the regulatory burden for companies while preserving the EU's commitment to the Green Deal. The key simplifications include a greater focus on the usefulness of information, a simplified materiality assessment, reduced pressure for direct data collection in the value chain, and more flexibility, proportionality, and phasing-in for challenging disclosures. The EC will now prepare the delegated act revising the first set of ESRS, and EFRAG will continue to support the implementation of these standards. [\(more detail\)](#)

EBA • Consultation on amendments to the RTS on prudential requirements for central securities depositories

12/03 • Capital, liquidity and leverage

The European Banking Authority (EBA) has launched a consultation on amendments to the regulatory technical standards (RTS) on the prudential requirements applicable to central securities depositories under the Central Securities Depositories Regulation (CSDR). The proposed updates aim to clarify and refine aspects of the calculation of capital, liquidity and operational loss requirements, as well as to enhance the consistency of the prudential framework with the evolving business models of central securities depositories and with other applicable regulations. The consultation is open until 3 March 2026. [\(more detail\)](#)

EIOPA • Proposal for a natural catastrophe risk awareness and prevention tool

12/03 • ESG risks

The European Insurance and Occupational Pensions Authority (EIOPA) has proposed the development of a natural catastrophe risk awareness and prevention tool called PROTECT. The tool aims to help property owners understand their exposure to climate-related risks and take preventive measures to reduce the vulnerability of their buildings. PROTECT would provide users with a risk score, tailored recommendations on risk prevention measures, information on insurance coverage and exclusions, and insights on how prevention measures can

impact insurance premiums. The goal is to enhance societal resilience, promote the availability and affordability of private insurance, and reduce protection gaps across Europe. EIOPA has not announced a formal timeline for the development or deployment of PROTECT, although the report indicates that a phased, step-by-step approach may be adopted as methodologies and data sources evolve. [\(more detail\)](#)

EC • Proposal for measures to fully integrate financial markets

12/04 • Asset management

The European Commission (EC) has adopted a major package of measures designed to remove barriers and fully integrate the EU's single market for financial services. This package is a central component of the Savings and Investments Union (SIU) strategy, aiming to create a more integrated, efficient, and competitive financial system that provides EU citizens with better options for growing their wealth and supports businesses in accessing funding. The proposed measures focus on removing obstacles to market integration, facilitating innovation, streamlining and enhancing supervision, and simplifying the regulatory framework. The proposals must now be negotiated and approved by the European Parliament (EP) and the Council. [\(more detail\)](#)

EBA • Consultation on RTS and ITS related to new supervisory instruments for material transactions under CRDVI

12/05 • Regulatory compliance • Credit

The European Banking Authority (EBA) has published a consultation paper on draft Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) concerning new supervisory tools for prudentially relevant operations under the Capital Requirements Directive (CRDVI). The document specifies the minimum information to be provided, a common assessment methodology and the processes for the notification and prudential assessment of material acquisitions, transfers of assets or liabilities, mergers and divisions, as well as procedures for consultation between competent authorities. Stakeholders are invited to submit their comments by 5 March 2026. [\(more detail\)](#)

EIOPA • Guidance on group supervision, related undertakings and the assessment of internal models

12/07 • Model risk

The European Insurance and Occupational Pensions Authority (EIOPA) has published new Guidelines on exclusions from group supervision, a set of revised Guidelines on the treatment of related undertakings, and an updated opinion on the supervisory assessment of internal models with dynamic volatility adjustments. These publications and updates follow from the recent review of the Solvency II framework and reflect efforts to streamline and simplify legislative texts for insurers and supervisors without impairing the effectiveness of supervision. The Guidelines will become applicable as of 30 January 2027 and, until then, the Guidelines issued in 2015 will remain applicable. [\(more detail\)](#)

EIOPA • Update of the Representative Portfolios Used to Calculate the Risk-Free Rate Volatility Adjustment under Solvency II

12/09 • Risk and Capital

The European Insurance and Occupational Pensions Authority (EIOPA) has published updated representative portfolios to be used for the calculation of the volatility adjustments (VA) to the relevant risk-free interest rate term structures under Solvency II Directive. The portfolios are based on end-2023 annual reporting templates submitted by European (re)insurance companies and provide a more accurate reflection of market volatility. EIOPA will start using these representative portfolios at the end of March 2026, with the updated VA figures published at the beginning of April 2026. EIOPA reviews these representative portfolios annually, with the next update scheduled for end-2025. [\(more detail\)](#)

EIOPA • Publication of a new set of consultation papers in relation to the implementation of IRRD

12/09 • Recovery and resolution

The European Insurance and Occupational Pensions Authority (EIOPA) has published a new set of consultation papers related to the implementation of the European Union (EU) Insurance Recovery and Resolution Directive (IRRD). The consultation papers propose: i) Guidelines on scenarios for pre-emptive recovery plans; ii) Guidelines on indicators for pre-emptive recovery plans; iii) Guidelines on the provision of information and the use of professional secrecy waivers; iv) Guidelines on the application of simplified recovery and resolution obligations; v) Regulatory Technical Standards (RTS) on the independence of valuers in resolution processes; vi) RTS on the contractual recognition of stay powers in resolution; and vii) RTS on the valuation of liabilities arising from derivative contracts in resolution. EIOPA invites stakeholders to submit their responses by 20 March 2026 and will review the feedback before finalising the policy instruments. [\(more detail\)](#)

Council • Provisional agreement to simplify the CSRD and CS3D and reduce the burden of sustainability reporting and due diligence requirements

12/09 • Sustainability-Disclosure

The Council of the European Union (EU) and the European Parliament (EP) have reached a provisional agreement that introduces significant changes compared to the originally adopted framework on sustainability, by significantly reducing the scope and burden of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D), through raising the application thresholds, excluding certain categories of companies (including small and medium-sized enterprises (SMEs) listed and certain financial holding companies), limiting the trickle-down effect on smaller business partners, flexibilizing the obligations on identifying and assessing adverse impacts, removing the obligation to adopt climate transition plans, eliminating the harmonized civil liability regime at the EU level, introducing a cap on penalties, and further postponing the transposition and application deadlines, thus reinforcing the simplification approach over the previous framework without altering the overall sustainability goals; the agreement now must be formally endorsed by both institutions before its final adoption. [\(more detail\)](#)

EBA · Final draft amending RTS on factors assessing the appropriateness of real estate risk weights 12/10 · Credit

The European Banking Authority (EBA) has published its final draft amending Regulatory Technical Standards (RTS) on the factors to be considered by national authorities in assessing the appropriateness of real estate risk weights. This update is driven by the revised Capital Requirements Regulation (CRR3), which confers a new mandate to the EBA regarding the standardised approach (SA) of credit risk. The only amendment is to update the relevant legal references to align with the new banking framework. The document mandates the EBA, in close cooperation with the European Systemic Risk Board (ESRB), to develop draft RTS to specify the types of factors to be considered for the assessment of the appropriateness of the risk weights referred to. ([more detail](#))

EBA · Presentation of the final RTS amending Article 124(11) of CRR III for real estate exposures 12/10 · Risk and Capital · Credit

The European Banking Authority (EBA) has published the final report on the draft Regulatory Technical Standards (RTS) amending Commission Delegated Regulation 2023/206, pursuant to Article 124(11) of the Capital Requirements Regulation (CRR3). That Delegated Regulation specifies the factors that competent authorities must consider when assessing the appropriateness of risk weights for exposures secured by immovable property and the minimum values of loss given default (LGD) parameters. The report concludes that these factors will remain unchanged, with only the legal references being updated to align them with CRR3. The report will be submitted by 10 January 2026, together with the draft RTS, to the European Commission (EC) for endorsement and subsequent publication in the Official Journal of the European Union (OJEU). ([more detail](#))

ECB · Recommendations on simplification of the prudential, supervisory and reporting framework 12/11 · Risk and Capital

The European Central Bank (ECB) has published the recommendations of the High-Level Task Force on Simplification, endorsed by its Governing Council, aimed at simplifying the European banking regulatory, supervisory and reporting framework without weakening the resilience of the system. The proposals include: i) simplification of capital stacks and the leverage ratio; ii) quality of capital in going-concern situations; iii) a simplified and proportionate prudential regime for small banks; iv) reciprocity of macroprudential measures; v) alignment of the total loss-absorbing capacity (TLAC) and minimum requirement for own funds and eligible liabilities (MREL) frameworks; vi) greater use of Regulations and rationalisation of Level 2 and Level 3 legislation; vii) simplification of stress testing; viii) a holistic view of the aggregate level of capital in the banking union; ix) completion of the banking union and of the savings and investment union; x) strengthening of the single banking rulebook; xi) a risk-based supervisory approach; xii) the principle of requesting information only once; xiii) an integrated European reporting system; xiv) materiality thresholds for resubmission of information; xv) a public inventory of reporting requirements; xvi) periodic review of information obligations; and xvii) reform of Pillar 3 public disclosures. Under the leadership of the European Commission (EC), the recommendations to simplify the regulatory and supervisory framework may be further developed by the ESCB, the SRB, the ESRB and the EBA, with continued support from the ECB. ([more detail](#))

EFRAG · Guides to support SMEs in sustainability reporting 12/11 · Non-Financial Reporting · Sustainability-Disclosure

The European Financial Reporting Advisory Group (EFRAG) has published three supporting guides to help small and medium-sized enterprises (SMEs) report on sustainability disclosures identified as particularly challenging. These guides provide practical, ready-to-use support with clear examples and case studies, covering topics such as describing sustainability practices and policies, setting greenhouse gases (GHG) reduction targets and climate transition plans, and reporting on severe negative human rights incidents in the value chain. ([more detail](#))

ECB · Geopolitical risk reverse stress test 12/12 · Risk and Capital

The European Central Bank (ECB), within the framework of the Single Supervisory Mechanism (SSM), has announced that in 2026 it will conduct a reverse stress test on geopolitical risk covering 110 directly supervised banks, with possible limited exclusions due to consolidation considerations, corporate processes or participation in other simultaneous exercises. The exercise adopts a reverse stress testing approach, under which each institution must identify plausible geopolitical scenarios capable of generating a minimum reduction of 300 basis points in Common Equity Tier 1 (CET1) capital, distinguishing it from previous exercises based on common scenarios. Beyond the quantitative impact, the objective is to assess and strengthen banks' internal risk management capabilities, in particular the integration of geopolitical risk into stress testing frameworks, internal governance, operational resilience and capital and recovery planning. The exercise will be integrated into the 2026 Internal Capital Adequacy Assessment Process (ICAAP) and its results will be used for qualitative purposes to complement the Supervisory Review and Evaluation Process (SREP), with no direct impact on Pillar 2 guidance. Aggregate results will be published in the summer of 2026. ([more detail](#))

EBA · Final draft RTS on the threshold and prudential and risk management requirements applicable to central securities depositories and credit entities providing ancillary banking services 12/12 · Risk and Capital · Regulatory Compliance

The European Banking Authority (EBA) has published its final report containing draft Regulatory Technical Standards (RTS) on the determination of the threshold referred to in Article 54(5) of Regulation (EU) No 909/2014 Central Securities Depositories Regulation (CSDR) and the appropriate risk management and prudential requirements to mitigate risks related to the designation of credit entities in accordance with Article 54(2a). The RTS introduces a dynamic threshold (minimum of EUR 3.75 billion and 1.5% of annual settlement volume; maximum of EUR 6.25 billion and 2.5%), with a proportionate increase in prudential and risk

management requirements depending on the level of activity. The Delegated Regulation will enter into force on the twentieth day following its publication in the Official Journal of the European Union (OJEU). ([more detail](#))

EBA · Final draft RTS on the prudential treatment of structural foreign exchange positions

12/12 · Structural Risk

The European Banking Authority (EBA) has published its final report containing draft Regulatory Technical Standards (RTS) on the treatment of structural foreign exchange (FX) positions under Article 104c of the Capital Requirements Regulation (CRR). The document aims to harmonise the conditions for granting exemptions from FX own funds requirements where positions are deliberately taken to hedge capital ratios, and sets governance, methodological and reporting expectations. It includes reporting templates and instructions and indicates that the reporting will be incorporated into the supervisory reporting Implementing Technical Standards (ITS), with a targeted application date in 2027. ([more detail](#))

EBA · Update of ITS validation rules and new centralised technical documentation portal

12/12 · Financial Reporting · Regulatory Compliance

The European Banking Authority (EBA) has issued a revised list of validation rules under its Implementing Technical Standards (ITS) on supervisory reporting, flagging rules deactivated due to inaccuracies or IT issues and reminding national competent authorities (NCA) that submitted data should not be formally validated against those deactivated rules. It also released a small validation package including a micro taxonomy package and Data Point Model (DPM) validation-rule deactivation scripts, required from release 4.0 to ensure consistent deactivations in taxonomy and DPM. A technical adjustment for reporting framework 4.2 is scheduled for January 2026. ([more detail](#))

Council · Advances in the EU Securitisation Framework Reform

12/15 · Risk and Capital

The Council of the European Union has published its negotiating mandate on the reform of the securitisation framework, while the European Parliament (EP) has released draft reports on the proposed amendments to the Capital Requirements Regulation (CRR) and the Securitisation Regulation, and the European Commission (EC) has announced the opening of a formal feedback period. The documents address changes to the prudential treatment of securitisations, including capital requirements and significant risk transfer, as well as adjustments to operational and transparency requirements, with a view to advancing the legislative process. The EC's feedback period is open until 9 February 2026. ([more detail](#))

EC · Feedback period on the proposal to amend the securitisation framework

12/15 · Risk and capital

The European Commission (EC) has adopted a proposal for a Regulation amending Regulation (EU) 2017/2402 on securitisation and the framework for simple, transparent and standardised securitisation (STS). The proposal introduces definitions of public and private securitisations, streamlines due diligence requirements, and adjusts transparency obligations through lighter reporting templates and a dedicated template for private securitisations. It strengthens supervisory coordination under the leadership of the European Banking Authority (EBA), in cooperation with the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA). The feedback period is open until 9 February 2026. ([more detail](#))

ESMA · Finalisation of RTS on derivatives transparency and OTC derivatives consolidated tape data

12/15 · Market

The European Securities and Markets Authority (ESMA) has published its Final Report containing proposed Regulatory Technical Standards (RTS) under the Markets in Financial Instruments Regulation (MiFIR) review on derivatives pre- and post-trade transparency, package orders, and input/output data requirements for the over-the-counter (OTC) derivatives consolidated tape. ESMA streamlines the deferral regime, adapts the package order RTS and proposes data quality amendments, including the list of fields to be transmitted and scope clarifications. The report has been submitted to the European Commission (EC), which has three months to decide whether to endorse the RTS; the new rules are expected to apply from 1 March 2027. ([more detail](#))

Council · Call to accelerate the transition towards a climate-resilient and circular Europe by 2030

12/16 · Sustainability

The Council of the European Union (EU) has called for an accelerated transition towards a climate-resilient and circular Europe by 2030, stressing the need to step up the implementation of existing climate and environmental legislation. Ministers highlighted the importance of strengthening climate adaptation, advancing the circular economy, reducing pollution and protecting biodiversity, while ensuring coherence between environmental, industrial and economic policies to support EU competitiveness and resilience. Against this backdrop, the European Commission (EP) has announced two major initiatives in its 2026 work programme, the European integrated framework for climate resilience and the circular economy act. ([more detail](#))

ECB · Publication of the European banking supervision reform agenda

12/16 · Regulatory Compliance · Prudential Reporting

The European Central Bank (ECB) has outlined its supervisory reform agenda to reduce undue complexity and sharpen the focus on material risks while safeguarding banks' resilience. It notes that on 11 December 2025 it published: i) the High-Level Task Force on Simplification report with 17 recommendations to simplify the regulatory, supervisory and reporting framework, submitted to the European Commission; and ii) a report describing changes that can be implemented within the existing legal framework. The agenda is organised around four initiatives: reforming the Supervisory Review and Evaluation Process (SREP), next-level supervision through streamlined and digitalised processes, a supervisory culture initiative, and an assessment of supervisory effectiveness, with progress updates to be communicated via supervisory reporting. ([more detail](#))

SRB · Updated expectations on the valuation of banks in crisis

12/16 · Recovery and Resolution

The Single Resolution Board (SRB) has published modernised expectations on valuation capabilities for banks in crisis following an extensive public consultation. The updated expectations set out a revised valuation data framework requiring banks to maintain high-quality datasets to support timely and robust valuations in resolution scenarios, thereby enhancing crisis readiness. The modernised expectations replace the previous guidance issued in 2020 and banks are expected to progressively implement them by the end of 2029. ([more detail](#))

EIOPA · Results of the 2025 liquidity stress test for occupational pension funds

12/16 · Structural Risks

The European Insurance and Occupational Pensions Authority (EIOPA) has published the results of the 2025 Europe-wide liquidity stress test for occupational pension funds (IORP). The exercise assesses the sector's ability to withstand rapid shifts in yield curves and liquidity pressures arising from hedging positions and margin calls. Results confirm material vulnerabilities to margin calls in a sharp interest-rate rise scenario, which can create temporary liquidity shortfalls for some IORPs. However, the sector overall has adequate liquid asset buffers and, through management actions, can restore positive liquidity positions, demonstrating general resilience despite risks remaining for derivatives-intensive institutions. The findings provide a valuable basis for follow-up dialogue between supervisors and participating IORPs on the vulnerabilities identified. The insights of the stress test will also support EIOPA in its work on the supervision of IORPs' liquidity risk management. ([more detail](#))

EC · Consultation on the proposed amendment of the SFDR

12/17 · Sustainability - Disclosure · Market

The European Commission (EC) has presented a proposal to amend the Sustainable Finance Disclosure Regulation (SFDR), simplifying and reducing administrative and disclosure requirements, and improving comparability to protect investors against misleading claims related to environmental, social and governance (ESG) factors. The proposal introduces a three-tier categorisation of products with ESG features, provides for adjustments to scope and definitions, and includes related changes to the Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs), as well as the repeal of Commission Delegated Regulation (EU) 2022/1288, which sets out detailed rules on the content, methodologies and presentation of sustainability-related disclosures under SFDR. The consultation period ends on 13 February 2026. ([more detail](#))

EC · Draft on delegated Regulation amending rules on designated trading venues and market manipulation indicators

12/17 · Fraud Prevention

The European Commission (EC) has published a draft delegated Regulation amending delegated Regulation 2016/522 to: i) establish a list of designated trading venues with significant cross-border dimension for the purposes of the mechanism for the continuous and timely exchange of order data provided for in the Market Abuse Regulation (MAR) in respect of shares, and ii) update the market manipulation indicators to reflect technical developments such as algorithmic trading and correct erroneous references. The mechanism must be operational for shares by June 5, 2026, and extended to bonds and futures by June 5, 2028. ([more detail](#))

AMLA · Draft standards to align EU AML/CFT supervision

12/18 · Anti-Money Laundering

The Anti-Money Laundering and Counter-Terrorist Financing Authority (AMLA) has announced draft rules to move towards harmonized supervision in the European Union (EU), ahead of its direct supervision mandate from 2028 over 40 high-risk complex financial entities or groups. The publication presents a common approach to risk assessment through two draft regulatory technical standards (RTS) on risk assessments and selection, which share data and criteria to align assessment between AMLA and national supervisors. In addition, AMLA has opened a public consultation on implementing technical standards (ITS) for cooperation and transfer of powers, with a deadline of January 27, 2026. ([more detail](#))

Council · Provisional agreement on the retail investment strategy legislative package

12/18 · Conduct

The Council of the European Union (EU) and the European Parliament (EP) have agreed on the retail investment strategy package, updating the investment framework to empower and protect retail investors in EU capital markets. The agreement aims to broaden access to diversified investment opportunities, increase transparency and strengthen consumer trust, while contributing to the savings and investment union (SIU) and the competitiveness of Europe's financial markets. Technical work will now continue to finalise the legal texts early in 2026. Member states will have to transpose the new rules 24 months following their publication in the EU's official journal. ([more detail](#))

EFRAG · Emission of the adoption advice on the amendments to IFRS 19

12/18 · Accounting

The European Financial Reporting Advisory Group (EFRAG) has published its adoption advice on the amendments to International Financial Reporting Standard 19 (IFRS 19) on subsidiaries without public accountability: disclosures, concluding that they meet the technical criteria and are in the European public interest, and therefore recommends their adoption in the European Union (EU). EFRAG indicates that the amendments provide useful information for economic decisions, improve accountability, and maintain an acceptable cost-benefit balance. ([more detail](#))

EP · Provisional agreement on a legislative package amending directives and reporting standards on investment products to boost citizens' investment in financial markets

12/18 · Asset Management

The European Parliament (EP) has reached a provisional agreement with the Council of the European Union (EU) on new measures aimed at strengthening the protection of retail investors and encouraging their participation in capital markets. The agreement introduces stricter rules on financial advice acting in the client's best interests, requirements to ensure value for money and improve the comparability of financial products, and measures to supervise the promotion of financial products through influencers. It also strengthens financial education and updates the key information documents for Packaged Retail and Insurance-based Investment Products (PRIIPs). The text must be formally approved by the EP and the Council of the EU. ([more detail](#))

Spain

BdE · Public consultation on the update of the CIR

11/06 · Reporting · Information & data quality

The Bank of Spain (BdE) has published a public consultation about a new Circular that will replace Circular 1/2013 with the aim of consolidating the twelve amendments made since 2013 into a single text, clarifying the central credit register (CIR) regime, and strengthening legal certainty. The main changes include: i) the removal of Annexes 1 and 2 to include them in more flexible technical applications; ii) the introduction of clarifications to simplify procedures and update operations; iii) the incorporation of the legal obligation for legal entities to interact electronically with the CIR; and iv) two key operational adjustments that will come into force on January 2, 2027: bringing forward the monthly data submission to the 7th of the month and reducing the individual declaration threshold from €6,000 to €1,000. Comments may be submitted until November 20, 2025. ([more detail](#))

CNMV · Preliminary public consultation on the technical guide for internal controls in closed vehicle management companies

11/07 · Capital, liquidity and leverage

The National Securities Market Commission (CNMV) has launched a preliminary public consultation on a draft technical guide regulating internal controls in the management of closed-ended investment vehicles, including venture capital entities and similar structures. The guide aims to establish criteria and best practices for the organizational structure of management companies, the execution of internal control functions, and the effective management of conflicts of interest. It also seeks to provide clarity on the CNMV's supervisory expectations and streamline authorization processes for management companies. Stakeholders may submit comments until 15 December 2025. ([more detail](#))

CNMV · New criteria on the application of MiCA and on regulations governing funds and venture capital, the activity of influencers, and reimbursements for closed-end vehicles

12/15 · Crypto-Assets · Market Abuse

The Spanish National Securities Market Commission (CNMV) has published new supervisory criteria on the application of the Markets in Cryptoassets (MiCA) Regulation, as well as on various aspects of the regulatory framework for investment funds and private equity. The document also provides guidance on the activity of influencers and their treatment under conduct and marketing rules, as well as criteria on redemptions in closed-ended investment vehicles, aiming to promote consistent application of the rules, strengthen investor protection and enhance legal certainty for market participants. ([more detail](#))

UK

FRC · Consultation on enhanced enforcement procedures

(10/01) · Compliance

The Financial Reporting Council (FRC) has launched a public consultation on a number of proposals to improve its enforcement procedures as part of its comprehensive review of its disciplinary processes. The proposals include measures to increase transparency, streamline processes, and strengthen the protection of the public interest. The FRC is seeking feedback from stakeholders before implementing the changes, which, if approved, will alter the way audit and corporate governance breaches are investigated and resolved. The consultation will remain open until January 9, 2026. ([more detail](#))

FRC · Public consultation as part of the annual review of the Reduced Disclosure Framework (FRS) 101 accounting standard

(10/01) · Reporting · Accounting

The Financial Reporting Council (FRC) has launched a public consultation as part of its ongoing annual review of the reduced disclosure framework accounting standard (FRS) 101. This review assesses whether recent changes to International Financial Reporting Standards (IFRS) require adjustments to the disclosure exemptions allowed by FRS 101 for individual financial statements. The FRC is not proposing any changes at this time, but invites interested parties to submit comments on whether the current framework should be maintained or revised. The consultation will remain open until January 16, 2025. ([more detail](#))

BoE · Consultation on the discontinuation of the BN form for building societies' balance sheets

10/09 · Reporting · Sustainability

The Bank of England (BoE) has published a consultation with significant proposals regarding statistical reporting to the BoE. In particular, it proposes to discontinue the collection and publication of data from the BN form (business with non-residents), which currently provides a detailed sectoral breakdown of transactions with non-residents carried out by UK monetary financial institutions (MFIs). If the proposal is confirmed, the final reference period for BN form data will be April 2026, with publication scheduled for May 2026. The affected data series are listed in Table B2.5.1 of the Bank's Interactive Database (IADB). [\(more detail\)](#)

BoE · Policy statement on MiFID Org Reg

10/09 · Market & ALM

The Bank of England (BoE) has published the policy statement (PS) on the Organizational Regulation of the Markets in Financial Instruments Directive (MiFID Org Reg). This document addresses the organizational regulations necessary to comply with the directive and sets out clear guidelines for financial institutions. Institutions are expected to implement these regulations before the established deadline. The new rules and technical standards are expected to come into force on October 23, 2025, subject to the repeal of the MiFID Org Reg. [\(more detail\)](#)

FCA · Transposition into national law of the organizational requirements for MiFID companies

10/09 · Market & ALM

The Financial Conduct Authority (FCA) has published the policy statement (PS) summarizing the feedback received on the consultation paper (CP) 24/24 and Chapter 4 of CP 24/11 and sets out our final rules for transferring the firm-focused requirements of the Markets in Financial Instruments Directive (MiFID) Organisational Regulation to the FCA Handbook rules. The rules come into force on October 23, 2025. [\(more detail\)](#)

UK GOV · Policy paper on the tax treatment of exchange-traded crypto asset notes (ETNs)

10/08 · Market & ALM

The UK government has published a policy paper (PP) on the tax treatment of ETNs, in the context of recent access by retail investors to this type of product following the Financial Conduct Authority's (FCA) decision to allow their marketing. The document clarifies that returns generated by crypto asset ETNs will be subject to the same tax treatment as other similar financial products, such as capital gains or income, as applicable. It also provides guidance on how this income should be reported on UK tax returns. [\(more detail\)](#)

FCA · Consultation on fund tokenisation and direct dealing models

13/10 · AAMM + Private Banking

The Financial Conduct Authority (FCA) has published consultation paper (CP) 25/28, addressing fund tokenisation and the implementation of direct dealing models. Fund tokenisation involves representing traditional financial assets, such as fund shares, with digital tokens on a blockchain or distributed ledger technology (DLT), enabling faster, more transparent, and accessible transactions. Proposals in the consultation include guidance for operating tokenised funds under the Blueprint model, the introduction of an optional direct dealing model for conventional and tokenised authorised funds, and a roadmap to advance fund tokenisation. The FCA is seeking feedback on the proposals by 21 November 2025 for chapters 2 to 4 and by 12 December 2025 for chapter 5. [\(more detail\)](#)

PRA · Reform of remuneration rules in the financial sector

15/10 · Operational risk · Compliance

The Prudential Regulation Authority (PRA) has published Policy Statement (PS) 21/25, introducing reforms to remuneration rules to enhance proportionality and competitiveness in the financial sector. Key changes include raising the threshold for the 60% deferral of variable remuneration from £500,000 to £660,000. [\(more detail\)](#)

FCA · Simplification of capital definition for investment firms

15/10 · Capital · AAMM + Private Banking

The Financial Conduct Authority (FCA) has published policy statement (PS) 25/14, which sets out new rules to simplify and consolidate the definition of regulatory capital for investment firms under the third Prudential Reference Manual for MiFID investment firms (MIFIDPRU 3). These amendments remove references to the UK Capital Requirements Regulation (UK CRR) and create a separate framework tailored to investment firms. The changes do not alter the capital levels required or the capital structure of firms, but seek to reduce complexity and remove provisions designed for banks that are not relevant to investment firms. The new rules will come into force on April 1, 2026. [\(more detail\)](#)

FRC · Update to proportionality Guidance for actuaries

10/17 · Conduct

The Financial Reporting Council (FRC) has issued an updated version of its technical actuarial Guidance on proportionality to assist actuaries in applying the Technical Actuarial Standards (TASs) in a proportionate and outcome-driven manner. The revised guidance includes new examples focused on general insurance pricing, illustrating the use of streamlined documentation and communication to efficiently deliver quality work within tight time constraints. This update follows feedback received during the TAS 200 consultation, where stakeholders indicated the value of further proportionality guidance concerning general insurance pricing. [\(more detail\)](#)

HM Treasury · Reform of the anti-money laundering and counter-terrorism financing supervision regime

10/21 · Anti-money laundering

His Majesty's Treasury has responded to the 2023 public consultation on reforming the anti-money laundering and counter-terrorism financing (AML/CTF) supervision regime. The response confirms the decision to consolidate supervision of certain professional sectors under the Financial Conduct Authority (FCA), which will take over supervision of legal, accounting, and trust and company service providers. This measure aims to simplify the regulatory system, improve coordination with law enforcement, and strengthen the United Kingdom's (UK) defense against economic crime. Implementation of this reform is scheduled for the end of 2025. ([more detail](#))

FRC · Public consultation on Audit Enforcement Procedure revisions**10/22 · Compliance and conduct**

The Financial Reporting Council (FRC) has launched a public consultation on proposed updates to its Audit Enforcement Procedure (AEP) as part of a comprehensive review of its regulatory processes. The review seeks to enhance the FRC's tools to provide proportionate and timely responses to various types of audit failures. The public consultation consists of roundtable discussions to gather stakeholder views, the final one being held on November 20, 2025. ([more detail](#))

PRA · Policy statement about the update on the Matching Adjustment Investment Accelerator framework**10/23 · Compliance and conduct**

The Prudential Regulation Authority has published the Policy Statement (PS) on the Matching Adjustment Investment Accelerator (MAIA), following consultation paper (CP) 7/25. The PRA reviewed responses and confirmed that the MAIA allows insurers with Matching Adjustment (MA) to include investments that support capital efficiency and productive investment in the United Kingdom (UK). The PRA clarifies eligibility criteria, documentation requirements, and approval processes and provides guidance on ongoing supervision of eligible funds and the implementation of investments. ([more detail](#))

DEFRA · Consultation about the exemptions reform to the environmental permitting regulations**10/27 · Sustainability**

The Department for Environment, Food & Rural Affairs (DEFRA) and the Welsh Government have launched a consultation on reforms to exemptions under the Environmental Permitting Regulations 2016 in England and Wales. The proposals aim to give the Environment Agency (EA) and Natural Resources Wales (NRW) enhanced powers to create, amend or remove types of exempt facilities and activities in sectors such as waste operations, water discharges, groundwater and flood risk. Proposed safeguards will ensure regulatory transparency and accountability. Changes will be introduced throughout 2026 for England, and after the Senedd elections in 2026 for Wales. ([more detail](#))

FCA · Public consultation on changes to the rules governing short selling of financial instruments**10/28 · Market & ALM**

The Financial Conduct Authority (FCA) has published a consultation paper on its proposed rules and guidance for short selling activity. It proposes revisions to create a more efficient and coherent short-selling framework while ensuring sufficient visibility and controls. The changes aim to remove disproportionate burdens on firms and enhance the competitiveness of United Kingdom (UK) financial markets. The consultation is open until 16 December 2025. ([more detail](#))

BoE · Policy Statement on the restatement of CRR and Solvency II requirements**10/28 · Capital, liquidity and leverage**

The Bank of England (BoE) has issued Policy Statement (PS) on the restatement of the Capital Requirements Regulation (CRR) and Solvency II Directive requirements in the Prudential Regulation Authority (PRA) Rulebook, without substantive policy changes but including enhancements for clarity and proportionality. The adjustments include clarifications on technical definitions, drafting of prudential capital requirements, and cross-references to facilitate understanding of regulatory obligations. The main objective of this restructuring is to enhance the accessibility and applicability of existing regulations, ensuring that regulated entities can comply with capital requirements more clearly and efficiently, without altering the level of prudential protection. These amendments will come into effect on 1 January 2026. ([more detail](#))

PRA · Framework on the simplified capital regime for Small Domestic Deposit Takers**10/28 · Capital, liquidity and leverage**

The Prudential Regulation Authority (PRA) has introduced the framework for the simplified capital regime targeted at Small Domestic Deposit Takers (SDDTs). The paper proposes that eligible firms apply the Basel 3.1 standard with substantial simplifications in credit risk, operational risk and market risk approaches, and introduces a single, more predictable capital buffer. The regime is proposed to take effect on 1 January 2027, with a modification by consent mechanism allowing firms to opt into the SDDT regime. ([more detail](#))

PRA · Methodologies for setting Pillar 2 capital**10/28 · Capital, liquidity and leverage**

The Prudential Regulation Authority (PRA) has published guidance on the methodologies for setting Pillar 2 capital requirements, applicable to United Kingdom (UK)-supervised banks and insurers. The guidance outlines how the PRA assesses credit, market, operational, concentration, counterparty, interest-rate-in-the-banking-book and pension risks, and how Pillar 2B buffers are determined for group and contingent risks. Pillar 2B is an additional capital buffer designed to absorb losses in severe scenarios and ensure that institutions maintain adequate capital levels beyond the regulatory minimum. The methodology will come into effect on July 1, 2026. ([more detail](#))

PRA • Supervisory Statement about ICAAP Process and SREP Review

10/28 • Capital, liquidity and leverage

The Prudential Regulation Authority (PRA) has published a Supervisory Statement (SS) on the Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP). The statement sets expectations that firms subject to the Capital Requirements Directive (CRD IV) must continuously assess the risks they face, perform stress testing, scenario analysis and submit to a supervisory review that considers governance, business model, internal capital and resource quality. Firms are expected to document and update the ICAAP annually and embed it into senior management decision-making. ([more detail](#))

PRA • Political Statement on retiring the refined methodology to Pillar 2A

10/28 • Capital, liquidity and leverage

The Prudential Regulation Authority (PRA) has published the policy statement (PS) on retiring the refined methodology for Pillar 2A, an internal-models-based approach used by supervised firms to estimate capital requirements with greater risk sensitivity, covering credit, market, counterparty and operational risks. Pillar 2A sets institution-specific capital requirements in addition to the regulatory minimum and Pillar 1. The retirement will take effect on 1 January 2027, while minor clarifications for interest-rate risk in the banking book (IRRBB) and pension-obligation risk will take effect on 1 July 2026. ([more detail](#))

FRC • Final Guidance for reporting under the UK Stewardship Code 2026

10/30 • Reporting

The Financial Reporting Council (FRC) has published the final Guidance for reporting under the United Kingdom (UK) Stewardship Code 2026, following stakeholder feedback on the draft version. The Guidance is voluntary and non-prescriptive and it provides suggestions on the kinds of information organisations may wish to include to explain their stewardship approach and to support long-term sustainable value creation for clients and beneficiaries. ([more detail](#))

BoE • Berne Financial Services Agreement Guidelines

11/03 • Compliance and conduct

The Bank of England (BoE) has published the Guidelines on the implementation of the Berne Financial Services Agreement (BFSA). The agreement between the United Kingdom (UK) and Switzerland establishes an outcomes-based mutual recognition framework, in other words, each country accepts that the other's regulatory framework achieves equivalent regulatory results, even if the specific means or rules are different. The guidelines set out the scope and sectors covered by the agreement, the eligibility criteria for Swiss firms seeking to operate in the UK and for UK firms seeking to operate in Switzerland, and the notification and registration procedures to be followed. They also outline the transparency and reporting obligations applicable to firms operating under the BFSA. The agreement will enter into force on 1 January 2026, following legislative ratification in both countries. ([more detail](#))

FCA • Consultation paper regarding simplification of the UK EMIR intragroup regime

11/05 • Market & ALM

The Financial Conduct Authority (FCA) has published a consultation proposing a clearer and more proportionate framework for intragroup exemptions from clearing and margining under United Kingdom (UK) European Market Infrastructure Regulation (EMIR). Intragroup exemptions allow financial entities within the same corporate group to avoid clearing trades through external central counterparties, provided they manage the risks internally. The consultation responds to industry feedback on the complexity of the current Temporary Intragroup Exemption Regime (TIGER), which expires on 31 December 2026. Feedback may be submitted until 16 January 2026. ([more detail](#))

BoE • Draft questions and answers on derivatives reporting requirements according to EMIR

11/06 • Reporting • Market and ALM

The Bank of England (BoE) has published additional Questions and Answers (Q&As) on derivatives reporting requirements under the UK European Market Infrastructure Regulation (UK EMIR). The consultation aims to clarify the practical application of the reporting framework and ensure the consistency, accuracy, and timeliness of data submitted to trade repositories. The Q&As provide technical guidance on issues such as the use of International Securities Identification Numbers (ISINs) when official identifiers are not available, the reporting of Foreign Exchange (FX) swap contracts, and the treatment of the different components of such transactions. The proposal strengthens alignment with international derivative reporting standards and clarifies the division of responsibilities between the BoE, which oversees central counterparties (CCPs), and the Financial Conduct Authority (FCA), which regulates other counterparties and trade repositories. The consultation opened on 8 August 2025 and closed on 12 September 2025, with the final Q&As published on 31 October 2025. ([more detail](#))

FRC • Discussion paper on future technical development of digital reporting taxonomies

11/07 • Reporting • Technology

The Financial Reporting Council (FRC) has published a discussion paper that focuses on the future technical development of the United Kingdom (UK) digital reporting taxonomies. The proposed architectural changes aim to enhance usability, scalability and technical integrity of the UK XBRL Taxonomy suite, including: i) replacing fixed item types with extensible enumerations; ii) introducing formula linkbases for automated validation and improved data quality; iii) expanding the use of typed dimensions for greater flexibility; iv) preventing cross-entry-point element usage; v) considering specific entry points for micro-entity and small company filings;

vi) adopting accounting semantics arcroles to enhance clarity and comparability; and digitising receipts and vii) payments accounts for charities. The paper seeks feedback by 11 January 2026. ([more detail](#))

BoE · Consultation on regulating systemic stablecoins

11/11 · Cryptoassets

The Bank of England (BoE) has published a new Circular to replace Circular 1/2013, consolidating all twelve amendments made since 2013 into a single, clearer regulatory framework for the CIR while strengthening legal certainty. The key changes include: i) removing Annexes 1 and 2 from the Circular and relocating them to more adaptable technical applications; ii) introducing clarifications to simplify procedures and reflect current operational practices; iii) explicitly requiring legal persons to communicate electronically with the CIR; and iv) implementing two major operational adjustments effective 2 January 2027; bringing forward monthly data submissions to day 7 and lowering the individual reporting threshold from €6,000 to €1,000. Stakeholders are invited to submit feedback by 10 February 2026. ([more detail](#))

BoE · Amendment to the retail deposits threshold for application of the requirement

11/12 · Capital, liquidity and leverage

The Bank of England (BoE) has published Policy Statement (PS) PS22/25, which addresses changes to the retail deposits threshold for the application of the leverage ratio requirement. This statement establishes that the threshold will be adjusted to better reflect market developments and the financial situation of institutions. These changes are expected to enhance the resilience of the financial system and provide greater clarity to institutions regarding their regulatory requirements. ([more detail](#))

FRC · International Standard on Sustainability Assurance on general requirements for sustainability assurance engagements

11/12 · Reporting · Sustainability

The Financial Reporting Council (FRC) has issued the International Standard on Sustainability Assurance (ISSA) 5000 on general requirements for sustainability assurance engagements, for voluntary use in the United Kingdom (UK). The standard aims to ensure the quality and consistency of assurance on sustainability reporting. It aligns with the global benchmark developed by the International Auditing and Assurance Standards Board (IAASB) and applies to both limited and reasonable assurance engagements. With this release, the FRC reinforces its commitment to globally aligned frameworks, seeks to improve the credibility of sustainability reports and supports investment decisions in sustainable finance. It will apply to sustainability assurance engagements covering periods starting on or after 15 December 2026. ([more detail](#))

FCA · Proposals to make ESG ratings transparent, reliable and comparable

12/01 · Sustainability

The Financial Conduct Authority (FCA) has published proposals to ensure that environmental, social and governance (ESG) ratings are transparent, reliable and comparable. The proposals aim to address concerns around how ESG ratings are built and how transparent they are, focusing on increased transparency, improved governance, systems and controls, identification and management of conflicts of interest, and clear expectations for stakeholder engagement and complaints handling. The FCA welcomes feedback on the proposals so the consultation is open until 31 March 2026. Final rules are expected in Q4 2026, with the new regime coming into effect from June 2028. ([more detail](#))

BoE · Reduction of Tier 1 capital requirement for British banks

12/02 · Capital, liquidity and leverage

Bank of England (BoE) Governor has given a significant boost to British banks by lowering the standard Tier 1 capital requirement from 14% to 13% of risk-weighted assets. This cut frees up around 30,000 million pounds that banks will be able to use to increase credit and, therefore, their profits. For banks, this move could translate into more than 1.6 billion additional pounds of annual profits. The Financial Policy Committee will also review leverage ratios and requirements linked to domestic exposures, marking the first aggregate regulatory easing in this area. Although some bankers wanted a larger reduction in the countercyclical buffer, the direction of change is clear. ([more detail](#))

PRA · Supervisory statement on enhancing banks' and insurers' approaches to managing climate-related risks

12/03 · ESG risks

The Prudential Regulation Authority (PRA) has issued Supervisory Statement (SS) 4/25 to enhance banks' and insurers' approaches to managing climate-related risks. The statement outlines the PRA's expectations for firms to build the necessary capabilities and resilience to effectively manage these risks, which can arise through various transmission channels and present unique challenges requiring a strategic management approach. The statement covers supervisory expectations related to governance, risk management, climate scenario analysis, data, and disclosures, with proportionate application for firms. ([more detail](#))

PRA · Policy Statement which updates Supervisory Statement (SS) 3/19

12/03 · Sustainability

The Prudential Regulation Authority has issued Policy Statement (PS) 25/25, updating Supervisory Statement SS 3/19 to strengthen and clarify expectations on how banks and insurers should identify, measure and manage physical and transition risks arising from climate change. The PS introduces a more explicit proportionality framework, provides flexibility in governance arrangements, expands guidance on climate scenario analysis and clarifies expectations on data, uncertainty and the use of proxies. It also sets out sector-specific guidance for ICAAP, ILAAP and insurers' prudential frameworks. PS 25/25 took effect on 3 December 2025 and during the

following six months, firms must conduct a self-assessment of their level of compliance, identify gaps and develop a credible plan to address them. ([more detail](#))

BoE • Launch of the systemic exploratory scenario on risks in private markets

12/04 • Supervisory expectations

The Bank of England (BoE) has launched its second system-wide exploratory scenario (SWES) focused on how the private markets ecosystem performs under stress and the implications for United Kingdom financial stability and the real economy. The exercise will study the reactions of banks and non-bank financial institutions (NBFIs) active in private equity and private credit, across two rounds designed to capture system-wide interactions. Participants include large banks, asset managers and institutional investors. As next steps, most work will take place in 2026, with a final report published in early 2027. ([more detail](#))

PRA • Consultation on reporting and disclosure requirements under the Solvency regime

12/04 • Reporting

The Bank of England Prudential Regulation Authority (PRA) has proposed minor amendments to UK Solvency II reporting and disclosure requirements. The key changes aim to improve data quality and clarity, address firm feedback, and resolve inconsistencies. Proposals include updates to non-life templates, introduction of projected FSCS liabilities reporting for third-country branches, and transfer of MALIR templates to XBRL format. The PRA considers these changes will advance its objectives of promoting firm safety and soundness, and securing policyholder protection. ([more detail](#))

FCA • Policy Statement 25/21 simplifying insurance rules

12/09 • Regulatory Compliance

The Financial Conduct Authority (FCA) has published Policy Statement 25/21 to simplify insurance and funeral plan requirements while maintaining an appropriate level of consumer protection. The key changes include: i) clarifying which rules apply to commercial insurance; ii) allowing a lead firm to take responsibility for product design and approval; iii) extending the scope of the bespoke contracts exclusion; iv) allowing firms to determine the frequency of product reviews; v) removing notification and reporting requirements for employers' liability insurance; and vi) removing the minimum requirement of 15 hours of continuing professional development for staff. These changes are optional and provide firms with greater flexibility. The FCA will consult on the non-application of certain consumer obligations to non-UK firms and will review key Handbook definitions to improve consistency in 2026. In addition, it will assess data submitted by firms in early 2026 with a view to possible further reporting simplifications, particularly in relation to general insurance pricing statements. ([more detail](#))

BoE • Results report of the 2025 CCP stress test

12/09 • Risk and Capital

The Bank of England (BoE) has published the results of its 2025 stress test of central counterparties (CCPs). The report confirms that United Kingdom (UK) CCPs have sufficient pre-funded resources to absorb losses in an extreme but plausible market stress scenario, including the simultaneous default of multiple members. The Bank will use the findings to support its ongoing supervision and regulation of UK CCPs. The next public exercise will take place in 2027. ([more detail](#))

FCA • Consultation paper on enhancing fund liquidity risk management

12/09 • Structural risks

The Financial Conduct Authority (FCA) has published a consultation paper on new rules and guidance to enhance fund liquidity risk management, particularly for open-ended Undertakings for Collective Investment in Transferable Securities (UCITS) schemes and non-UCITS retail schemes (NURS). The key proposals are to require all authorized fund managers (AFMs) to have anti-dilution tools available, provide guidance on their effective use, remove presumptions about the liquidity of certain assets, and strengthen liquidity risk management practices. These changes aim to protect investors, promote orderly markets, and improve the resilience of UK funds. Consultation closes on February 23, 2026. ([more detail](#))

FCA • Roadmap for the mortgage rules review and modernising the market

12/15 • Credit • Conduct

The Financial Conduct Authority (FCA) has published the Feedback Statement (FS) 25/6 on the review of mortgage rules, responding to the Discussion Paper (DP) 25/2 and setting out a roadmap to simplify regulations and support sustainable home ownership. The plan groups actions under four pillars: expanding access for first-time buyers and underserved groups; strengthening lending in later stages of life; enabling innovation; and protecting vulnerable consumers. It also includes an indicative timetable for future consultations. The FCA expects to move forward with proposals on access in 2026 and to publish the terms of reference for a study in the first quarter of 2026. ([more detail](#))

FCA • Engagement on market risk capital requirements for investment firms

12/16 • Market • Risk and Capital

The Financial Conduct Authority (FCA) has published an engagement paper on market risk capital requirements for FCA-regulated investment firms. The paper explores potential approaches to adapting the current capital framework, which is largely based on the UK Capital Requirements Regulation (CRR), to better reflect the risk profile of investment firms. The aim is to encourage wholesale trading, improve market liquidity and reduce barriers to entry for specialised trading firms. The paper is addressed to investment firms authorised to deal on own account and manage a trading book. Feedback on the engagement paper is requested by 10 February 2026. ([more detail](#))

FCA • Consultations on cryptoasset regulation in UK

12/16 • Crypto-Assets

The Financial Conduct Authority (FCA) has published three consultation papers setting out the UK's proposed cryptoasset regulatory framework. The proposals cover (i) rules and guidance for regulated cryptoasset activities, including operating trading platforms and providing related services; (ii) an admissions and disclosures regime for public offers and admission to trading, alongside a market abuse regime to address misconduct such as insider dealing and market manipulation; and (iii) a prudential regime with capital, risk management and prudential disclosure requirements for firms that will need authorisation. The consultation deadline is 12 February 2026, and the FCA intends to publish final rules and guidance in 2026. ([more detail](#))

Q4 Other publications of interest

American Region

US

OCC · Notice of proposed rulemaking to amend community bank licensing requirements

10/06 · Compliance and conduct

The Office of the Comptroller of the Currency (OCC) has published a notice of proposed rulemaking to amend its regulations and simplify licensing requirements for corporate activities and transactions involving national banks and federal savings associations with less than \$30 billion in total assets that meet certain conditions. The deadline for submitting comments is November 5, 2025. ([more detail](#))

OCC · Clarification on model risk management for community banks

10/06 · Other risks

The Office of the Comptroller of the Currency (OCC) has published a clarification on model risk management for community banks. In the clarification, the OCC emphasizes flexibility for community banks to adapt their model risk management practices. Guidelines are provided to help banks comply with regulatory requirements while managing their risks effectively. ([more detail](#))

FDIC · Proposed regulation focused on the supervision of material financial risks

10/07 · Risks & capital

The Federal Deposit Insurance Corporation (FDIC) has published a proposed rule focused on the supervision of material financial risks. The proposal aims to strengthen the oversight of financial institutions to address risks that could affect the stability of the financial system. The deadline for submitting comments is 7 December 2025. ([more detail](#))

FDIC · Withdrawal of principles for climate-related financial risk

16/10 · Sustainability

The Office of the Comptroller of the Currency (OCC), the Federal Reserve (Fed) and the Federal Deposit Insurance Corporation (FDIC) have announced the immediate withdrawal of the principles for climate-related financial risk management for large financial institutions, issued in October 2023. The decision is based on the assessment that existing safety and soundness standards already require institutions to effectively manage all material financial risks, including emerging ones like climate-related risks. The agencies believe that climate-specific principles could detract from managing other significant risks and are unnecessary to maintain financial stability. ([more detail](#))

FRB · Public consultation on enhancements to the stress-testing framework and scenarios

10/24 · Capital, liquidity and leverage

The Board of Governors of the Federal Reserve System (FRB) has published a public consultation seeking comments on proposals aimed at improving the transparency and accountability of its annual stress test. The proposals address test models, potential changes to the framework guiding the design of hypothetical scenarios, and the projected scenarios for the 2026 tests. They also include improvements to the disclosure process, adjustments to the annual timeline to incorporate a comment period on the scenarios, and modifications to the reporting forms to reduce the regulatory burden and improve risk capture. Comments on the projected 2026 scenarios are due by 1 December 2025, while feedback on the other proposed adjustments is due by 22 January 2026. ([more detail](#))

OCC · Public consultation on proposed rescission of recovery planning guidelines

10/27 · Recovery and resolution

The Office of the Comptroller of the Currency (OCC) has open a public consultation on its proposal to rescind the recovery planning guidelines that took effect on January 1, 2025 and applied to large insured national banks, federal savings associations and federal branches with at least USD 100 billion in assets. The OCC states that these institutions are expected to maintain adequate risk-management processes on an ongoing basis and that removing prescriptive requirements aligns with its efforts to eliminate unnecessary regulatory burden. The comment period end on November 27, 2025. ([more detail](#))

FDIC · Consultation on the removal of reputational risk factor in bank supervision

10/30 · Reputational

The Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) have issued a notice of proposed rulemaking to codify the removal of reputational risk as a standalone basis for supervisory action. The draft rule prohibits agencies from criticizing, instructing or encouraging the termination of relationships or services solely on the basis of reputation risk, including lawful business activities or protected speech. The comment period closes on 29 December 2025. ([more detail](#))

FRB · Update to the LFI rating system and the ISF

11/05 · Supervisory expectations

The Federal Reserve Board (FRB) has issued a final notice updating two supervisory frameworks. The Large Financial Institution (LFI) rating system and the Insurance Supervisory Framework (ISF). The notice clarifies

how a firm may be considered well managed, explains when supervisory actions may be taken, and streamlines references and definitions within the ISF. Overall, the updates aim to provide greater clarity, consistency, and predictability in supervisory assessments. The measure will take effect 60 days after publication in the Federal Register. ([more detail](#))

FASB · Amendment on guidance on purchased loans

11/12 · Capital, liquidity and leverage · Accounting

The Financial Accounting Standards Board (FASB) has improved the Guidance on purchased loans, providing clarity on the accounting treatment of these assets. The update aims to facilitate the assessment of the credit quality of purchased loans and their impact on financial statements. Additionally, these improvements are expected to help institutions apply the related accounting standards more consistently. ([more detail](#))

FDIC · Rescission of the principles on climate-related financial risk management

11/18 · Sustainability

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FED) and the Federal Deposit Insurance Corporation (FDIC) have rescinded the principles for climate-related financial risk management for large financial institutions, which applied to firms with over US\$100 billion in consolidated assets. The agencies state their existing safety-and-soundness standards already require institutions to address all material risks and argue the principles may distract from other priorities. The revocation notice clarifies that no new obligations are created and no requirements under the Paperwork Reduction Act are modified, and furthermore, it takes effect immediately on the date of its publication. ([more detail](#))

OCC · Additional actions to support community banks and reduce regulatory burden geography

11/24 · Anti money laundering

The Office of the Comptroller of the Currency (OCC) has announced supervisory and regulatory actions to reduce burden for community banks and strengthen their service as drivers of economic growth. The OCC is issuing supplemental guidance that tailors the application of the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) examination procedures for community banks based on their generally low levels of money laundering and terrorist financing risk. Additionally, the OCC issued a request for information to better understand the challenges faced by community banks. The OCC's work to prioritize community bank reforms is ongoing and includes work on a proposal to reduce the community bank leverage ratio requirement that will be announced soon. ([more detail](#))

OCC · Final rule to modify certain regulatory capital standards

11/25 · Capital, liquidity and leverage

The Office of the Comptroller of the Currency (OCC), the Federal Reserve (FED), and the Federal Deposit Insurance Corporation (FDIC) have published the final rule amending certain capital standards applicable to global systemically important banks (GSIBs). The rule adjusts the enhanced supplementary leverage ratio (eSLR) standard in order to reduce its restrictive nature and improve capital allocation in low-risk activities, redefining the calibration of the requirement for holding companies and redesigning its application for depository institutions. The rule introduces related technical changes to the total loss-absorbing capacity (TLAC) and long-term debt (LTD) requirements to achieve consistency with the new eSLR, without modifying their overall thresholds. The final rule will be applicable from April 1, 2026, with early adoption permitted from January 1, 2026. ([more detail](#))

OCC · Proposal to enhance community banks' ability to serve their communities while maintaining strong capital requirements

11/25 · Capital, liquidity and leverage

The Office of the Comptroller of the Currency (OCC), along with the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve Board (FRB), has proposed changes to the community bank leverage ratio (CBLR) framework. The proposal would reduce the CBLR requirement from 9% to 8% and extend the grace period for qualifying community banking organizations that do not meet the requirements from 2 quarters to 4 quarters, with a maximum of 8 quarters over a five-year period. These modifications aim to reduce regulatory burden and provide greater flexibility in capital management. The OCC allows sending comments about the proposal until January 25, 2026. ([more detail](#))

FASB · Update to the accounting standard on improvements to hedge accounting

11/25 · Accounting

The Financial Accounting Standards Board (FASB) has issued a new Accounting Standards Update (ASU) aimed at improving hedge accounting guidance. The update proposes increasing the range of eligible hedging relationships that can be treated as economically effective, even in complex scenarios following reference rate reform including variable-rate debt instruments, forecasted nonfinancial-asset transactions, groups of forecasted transactions, and compound derivatives. It also introduces more flexible criteria for assessing similar risk for cash flow hedges, easing the aggregation of forecasted transactions under a single hedge. The aim is to better align accounting with firms' actual risk-management activities, reduce unintended dedesignation events, and enhance the decision-usefulness of financial reports for investors. ([more detail](#))

FRB · 2026 pricing update for payment services

12/04 · Transactional Banking

The Federal Reserve Board (FRB) has announced the prices for payment services that FRB offer to banks and credit unions, including check clearing, instant payments, and wholesale payment and settlement services. Under the law, these fees must cover the actual and imputed costs of providing the service. By 2026, the FRB expects to recover 108% of those costs, including a return on capital comparable to that of the private sector. Overall,

the changes represent an average increase of 0.9% for established services. It will take effect on January 1, 2026. ([more detail](#))

SEC · Final technical amendments to correct and update securities market disclosure rules and forms 12/16 · Regulatory Compliance

The Securities and Exchange Commission (SEC) has adopted a final rule of technical amendments to various Commission rules and forms under the Securities Act of 1933, the Investment Company Act of 1940, and Form N-CEN. The amendments are intended to correct errors, update outdated references, and remove obsolete requirements rendered moot by later regulatory actions. For example, the rule updates the definition of “exchange-traded fund” in Rule 498 and corrects erroneous or outdated cross-references in rules under the Investment Company Act and in Form N-CEN. These changes are technical in nature and do not introduce substantive policy changes or new compliance obligations for market participants. ([more detail](#))

Argentina

BCRA · Regulation of the national payment system and electronic payment methods 14/10 · Transactional Banking

The Central Bank of the Argentine Republic (BCRA) issued a Communication to regulate the National Payment System (SINAP) and Electronic Payment Methods (MEP). The aim is to strengthen electronic payment infrastructure, enhance transaction efficiency and security, and promote payment digitization in Argentina. These measures seek to improve access and financial inclusion for users and institutions. ([more detail](#))

BCRA · Update of the monthly accounting informative regime and adjustment of minimum capital requirements 13/10 · Accounting · Capital

The Central Bank of the Argentine Republic (BCRA) has issued a Communication introducing adjustments to the Monthly Accounting Informative Regime (R.I.-C.M.) and minimum capital requirements for financial institutions. These modifications aim to optimize the supervision and regulation of the financial system, adapting to current market conditions. ([more detail](#))

BCRA · Communication on the classification of financial institutions and limits on minimum capital requirements for credit risk 12/11 · Credit

The Central Bank of the Republic of Argentina (BCRA) has published a communication redefining the classification of financial institutions into Groups A and B as from 1 January 2026, based on their relative weight in the financial system, and removing previous criteria under the framework on authorities. Newly established institutions will initially be classified as Group B until sufficient information is available. In addition, the limits on minimum capital requirements are amended by introducing differentiated caps for Group A and Group B institutions, with further reductions depending on the supervisory rating. Reclassified institutions will be required to apply the new minimum cash reserve requirements as from January 2026 and, as from July 2026, the rules on the separation of executive and management functions. ([more detail](#))

Brazil

ANBIMA · Best practices guide for Artificial Intelligence governance in the financial market 10/10 · Artificial Intelligence

The Brazilian Association of Financial and Capital Markets Entities (ANBIMA) has published the guide AI governance: integrating best practices throughout the Artificial Intelligence lifecycle. This document expands upon previous guidelines on the ethical, secure, and responsible use of artificial intelligence in the financial sector, addressing all stages of the AI system lifecycle, from development to decommissioning. The guide provides practical measures for the development, use, and monitoring phases, and includes a summary of recommended actions for each phase. ([more detail](#))

ANBIMA · Submission of segregated investment fund fees 13/10 · Reporting

The Brazilian Association of Financial and Capital Markets Entities (ANBIMA) has extended until March 31, 2026, the deadline for investment funds established before November 3, 2025, to submit the segregated remuneration fees of their service providers. This measure aims to ensure an orderly transition to the new HUB ANBIMA module, which will replace the current remuneration summary published on fund managers' websites. ([more detail](#))

SUSEP · Public consultation on the insurance portfolio transfer regulation 14/10 · Compliance

The Superintendência de Seguros Privados (SUSEP) has launched a public consultation to gather feedback on a new resolution regulating the total or partial transfer of insurance portfolios among insurance companies, capitalization societies, insurance cooperatives, open supplementary pension entities, and local reinsurers in Brazil. This initiative aims to establish clear guidelines on the effects of such transfers on insurance plans, ensuring transparency and protection for policyholders. Interested parties can submit their comments until November 13, 2025. ([more detail](#))

BCB · Accounting criteria for the recognition of sustainability assets and liabilities 10/21 · Reporting · Sustainability · Accounting

The Central Bank of Brazil (BCB) has adopted the resolution which defines the accounting concepts and criteria for the recognition, measurement, derecognition, and disclosure of sustainability assets and liabilities by consortium administrators, payment institutions, broker-dealers, securities distributors, and authorized foreign exchange companies. The rule defines sustainability assets and liabilities as non-financial elements related to social, environmental, or climate objectives and introduces specific disclosure requirements in explanatory notes. The resolution will enter into force on January 1, 2027. ([more detail](#))

BCB · Public consultation on the prudential treatment of virtual assets and tokens

10/29 · [Cryptoassets](#) · [Capital, liquidity and leverage](#)

The Central Bank of Brazil (BCB) has launched a public consultation on draft resolutions of the National Monetary Council (CMN) and the BCB setting out prudential criteria for the classification and treatment of exposures to virtual assets and tokens by financial institutions. The proposal integrates these exposures into the calculation of risk-weighted assets (RWA) and the Liquidity Coverage Ratio (LCR), and includes them within the comprehensive risk management framework. It also broadens the scope beyond the legal definition of virtual asset to cover utility tokens, financial tokens, and tokens representing movable and immovable assets. The prudential approach follows the Basel Committee on Banking Supervision (BCBS) classification, subgroups 1A, 1B, 2A and 2B, and prohibits operations with such assets for Segment 5 (S5) and Type 2 institutions. Comments may be submitted until 30 January 2026. The framework will take effect on 1 January 2027, with the exception of the beginning of RWA calculations and reporting starting on 1 July 2026. ([more detail](#))

BCB · Circular on the methodology for determining the minimum share capital

11/03 · [Compliance and conduct](#) · [Capital, liquidity and leverage](#)

The Bank of Brazil (BCB) has issued a circular which establishes a new methodology for determining the minimum threshold of paid-in share capital and net equity for financial institutions and other entities authorised to operate by the BCB. This resolution shifts the regulatory focus as it moves away from being solely institution-type based and instead is grounded in the actual activities carried out, considering two components in the calculation, a cost component and an activities component. Moreover, the resolution sets a capital surcharge for institutions that use the term bank or its equivalent in their name. A transition regime is also provided for institutions already operating; until June 30, 2026 they must maintain the previous minimum; from July 1, 2026 to December 31, 2027 they must progressively apply the gap between the new and prior thresholds; from January 1, 2028 onwards the new threshold must be met in full. ([more detail](#))

FEBRABAN · Guide to good practices in financial education for the Brazilian banking sector

11/03 · [Compliance and conduct](#)

The Brazilian Federation of Banks (FEBRABAN) has launched the Guide of good practices for financial education in the Brazilian banking sector, which systematises experiences of financial institutions across the country and presents lessons and challenges to promote the financial health of the population. The document gathers 20 outstanding initiatives selected from 38 practices identified among member banks. It emphasises the role of the banking sector as an economic and social development agent, and states that financial education is a shared responsibility between banks, regulators, consumer protection bodies, sector organisations and civil society. The Guide reviews regulatory progress and compiles lessons such as the impact of content personalisation, the use of gamified resources and cross-sector partnerships. ([more detail](#))

BCB · Public consultation on a regulatory proposal launching the second phase of the GRSAC Report

11/04 · [Reporting](#) · [Sustainability](#)

The Central Bank of Brazil (BCB) has launched a public consultation on a draft regulation initiating the second phase of the Social, Environmental and Climate Risk Report (GRSAC). The requirements vary according to the BCB's prudential segmentation (S1 to S4), based on each institution's size, complexity and systemic relevance. Key elements include: i) expanding the report's scope with new standardised tables containing quantitative data on social, environmental and climate-related metrics and targets; ii) revising qualitative requirements to reinforce governance, strategy, risk management and transition plans; iii) adding new risk categories; and iv) differentiating treatment by type of disclosure, keeping business-opportunity tables optional but making voluntary-commitment disclosures mandatory for signatory institutions. The public consultation will remain open until 13 February 2026, and the new resolution will enter into force on 1 January 2027 for S1 and S2 institutions, with S3 and S4 entities required to comply from 31 December 2028. ([more detail](#))

BCB · Public consultation on regulatory requirements on reports about social, environmental and climate risks and opportunities.

11/06 · [Reporting](#) · [Sustainability](#)

The Central Bank of Brazil (BCB) has launched a public consultation to update the disclosure requirements of the social, environmental, and climate risks and opportunities report (GRSAC). The proposal expands the report's scope with new quantitative tables on climate risks and financed emissions, enhances qualitative information on governance and strategy, and introduces disclosure of voluntary sustainability commitments. The framework aligns with international standards from the International Sustainability Standards Board (ISSB) and the Basel Committee on Banking Supervision (BCBS). The consultation will remain open until February 13, 2026. Implementation is scheduled for January 2027 for segments S1 and S2, and December 2028 for S3 and S4. ([more detail](#))

SUSEP · Resolution introducing the regulatory framework for open insurance

11/05 · [Compliance and conduct](#)

The Superintendence of Private Insurance (SUSEP) has published a resolution that amends the regulatory framework for the open-insurance system (OPIN). Key changes include: i) a reduction of the minimum retention period for voluntary exit of companies from OPIN; ii) the creation of a monitoring manual for the OPIN; and iii) the detailing of minimum content requirements for the client experience manual, the dispute resolution platform and the monitoring manual that are required for insurers. The Resolution will enter into force immediately. ([more detail](#))

SUSEP · Guidelines relating to environmental, social and climate issues applicable to rural insurance
11/05 · Sustainability

The Superintendence of Private Insurances (SUSEP) has published Resolution CNSP nº 485/2025, which establishes rules regarding environmental, social, and climatic issues applicable to rural insurance. This regulation aims to integrate sustainability criteria into the insurance offering, promoting responsible practices in the sector. The regulation was developed by the insurance and ecological transformation working group and aligns with the federal government's ecological transformation plan. Its objective is to ensure that rural insurance providers integrate ESG criteria into their risk assessments, thereby preventing coverage for properties with invalid Rural Environmental Registry (CAR) status or other non-compliant conditions. It will be reviewed, on a conclusive basis, by the Chamber of Deputies' Committees on Finance and Taxation and on Constitution, Justice and Citizenship (CCJC); if approved, it will proceed to the Federal Senate and, subsequently, to presidential sanction. ([more detail](#))

BCB · Public consultation on credit risk mitigation and counterparty credit risk approaches
11/06 · Compliance and conduct

The Central Bank of Brazil (BCB) has launched a public consultation on a draft resolution aimed at enhancing the recognition of credit risk mitigating instruments under the standardized approach (RWACPAD) and the Current Exposure Method (CEM) for calculating counterparty credit risk in derivatives. The standardized approach is a simplified regulatory method that uses predefined risk weights to calculate overall credit risk, while the CEM is specifically applied to derivatives, estimating both current and potential future exposure to counterparty risk. Key modifications include: i) updates to financial collateral; ii) bilateral agreements; iii) fiduciary guarantees; iv) credit insurance; and v) improvements in linked operations and the application of preferential risk-weighting factors. The proposal also standardizes definitions and simplifies calculations while maintaining consistency with existing regulation. The public consultation period will remain open until 3 February 2026, and the resolution will come into effect on 1 July 2026. ([more detail](#))

BCB · Resolution on services and operations with virtual assets in the foreign exchange and international capital markets
11/10 · Compliance and conduct · Cryptoassets

The Central Bank of Brazil (BCB) issued the resolution nº 521 regulating virtual asset service providers (VASPs) and virtual asset operations in foreign exchange (FX) and international capital markets. The resolution establishes reporting obligations to the BCB, verification of fund origin and destination for non-licensed counterparties, US dollars (USD) limits for international transactions outside authorized institutions, and prohibitions on certain uses of foreign currency in virtual asset operations. It also sets security and compliance requirements, including transaction traceability and internal controls to prevent money laundering (AML). ([more detail](#))

BCB · Resolution on the regulatory framework for virtual asset service providers
11/10 · Compliance and conduct · Cryptoassets

The Central Bank of Brazil (BCB) has issued the resolution nº 520 regulating the establishment, authorization, supervision, operation, and transfer of activities of virtual asset service providers (VASPs) in Brazil. The regulation defines VASP types (intermediation, custody, brokerage), requires segregation of client and company assets, robust independent audit processes, governance, sanctions lists for anti-money laundering and counter-terrorist financing (AML/CTF) purposes, cybersecurity policies, and procedures for staking operations, that is, locking cryptocurrencies to secure the network and earn rewards. The resolution also includes a compliance timeline and a maximum deadline for existing entities to request authorization. Newly established VASPs must meet minimum capital requirements, use a specific corporate name, and obtain formal authorization from the BCB. ([more detail](#))

BCB · Amendment of the normative instruction on the submission of documents to the Credit Information System
11/19 · Reporting · Capital, liquidity and leverage

The Central Bank of Brazil (BCB) has published a Normative Instruction that amends circular letter nº 3.869 on the submission of information to the Credit Information System (SCR). The instruction adjusts the timetable for reporting document 3044, also updates the completion guidance for that document, which records event data related to credit operations. Since 1 November 2025, general information is being submitted, while events concerning revolving credit instruments, credit assignments and acquisitions, and debt assumption or portability will be submitted from 1 May 2026. ([more detail](#))

PREVIC · Amendment to the ordinance on accounting requirements for private and occupational pension plans
11/19 · Accounting

The National Superintendency of Supplementary Pension Funds (PREVIC) has published an ordinance amending the accounting annexes to Resolution No. 23/2023 which establishes procedures for the application of regulations relating to the activities carried out by PREVIC, as well as regulations complementary to the guidelines of the

National Council for Supplementary Social Security (CNPc) and the National Monetary Council (CMN). These annexes are applicable to closed supplementary pension funds, which include private and occupational pension plans. The document introduces a new chart of accounts, describes the function and operation of the accounts, and updates the models and instructions for preparing financial statements, with the aim of increasing the accuracy, transparency, and uniformity of records. The ordinance will enter into force on January 1, 2026. ([more detail](#))

BCB · Statement on requirements for independent auditing and internal controls in supervised entities

11/21 · Corporate governance

The Central Bank of Brazil (BCB) has published a statement regarding the requirements for independent auditing and internal controls in supervised entities. It emphasizes the need for independent auditors to focus on examining the accounting records and the disclosure of financial instruments established in Resolution of the national monetary council (CMN) nº 4,966 and Resolution of the BCB nº 352. The BCB highlights the importance of a critical analysis of aspects related to credit risk, including the criteria used to estimate the present value of financial asset recoveries. ([more detail](#))

BCB · Joint resolution providing for the provision of Banking as a Service (BaaS)

11/28 · Compliance and conduct

The Central Bank of Brazil (BCB) has approved Joint Resolution No. 16/2025, establishing a regulatory framework for Banking as a Service (BaaS) arrangements. The regulation defines the responsibilities of the financial or payment institution and the third-party provider, strengthens customer transparency, standardises governance and operational controls and introduces mandatory monitoring and customer-experience manuals. It also sets rules for dispute resolution, restricts opaque contractual structures, regulates commercial communications, and aligns interoperability requirements with the Open Finance framework and the Brazilian Payments System. Additionally, it introduces monitoring and reporting obligations regarding third-party performance. The resolution has been in force since 28 November 2025, and existing contracts must be fully aligned with the new requirements by 31 December 2026. ([more detail](#))

BCB · Joint Resolution which establishes the quality policy for information

11/28 · Reporting · Compliance and conduct

The Central Bank of Brazil (BCB) and the National Monetary Council (CMN) have approved Joint Resolution No. 18/2025, establishing a mandatory information quality policy for financial institutions and other entities authorised to operate by the BCB. The resolution sets out a comprehensive framework to ensure that data and documents submitted to the supervisor are complete, accurate, reliable, consistent and traceable, replacing and expanding the requirements of Joint Resolution No. 4,968/2021. Key elements include essential quality criteria, procedures for data capture, validation and reconciliation, governance responsibilities for boards and senior management, technical and human resource requirements, and mechanisms for identifying and correcting deficiencies. The BCB is granted powers to review internal processes, request additional documentation, order operational improvements and require the replacement of incorrect information. The resolution enters into force on 1 January 2026, and entities must fully implement all requirements by 31 December 2026. ([more detail](#))

BCB · Joint Resolution regulating the nomenclature and manner in which institutions authorized to operate by the BCB are presented to the public

11/28 · Compliance and conduct

The Central Bank of Brazil (BCB) and the National Monetary Council (CMN) have issued Joint Resolution No. 17, establishing rules on naming conventions and public presentation for all institutions authorised to operate by the Central Bank. Institutions must use names and communication practices that clearly indicate their authorised activity type and may not employ terms suggesting activities for which they lack authorisation. The regulation sets specific requirements for prudential conglomerates and cooperative systems, mandates the use of the institution's own internet domain, restricts partnerships with non-authorised entities that may mislead clients and introduces mandatory compliance plans when adjustments are needed, with a maximum one-year implementation period. ([more detail](#))

BCB · Requirement to submit quantitative Icaap, IcaapSimp and stress-test information

12/03 · Reporting · Capital, liquidity and leverage

The Central Bank of Brazil has issued Resolution BCB No. 527, requiring institutions in supervisory segments S1 and S2 that is, S1 for larger conglomerates with systemic importance, and S2 for medium-sized entities with moderate systemic importance, to submit quantitative information on the Internal Capital Adequacy Assessment Process (Icaap), the Simplified Icaap (IcaapSimp), and stress tests based on scenarios provided by the BCB. The information must be calculated annually using 31 December as the reference date, cover a minimum three-year horizon and be submitted on a consolidated basis by the prudential-conglomerate lead institution or by the entity responsible under applicable rules. Institutions must also appoint a responsible officer and retain methodologies and supporting documentation for five years. The Resolution took effect due to its publication on December 3, 2025. Provisions specific to cooperative systems take effect on 1 July 2026, while all other requirements apply upon publication. ([more detail](#))

SUSEP · Public consultation on the cession and acceptance of reinsurance and retrocession

12/08 · Conduct

The Superintendence of Private Insurance (SUSEP) has launched a public consultation on the cession and acceptance of reinsurance and retrocession. The consultation aims to receive contributions from the insurance

market on the proposed regulatory framework, which addresses aspects such as the requirements for entities to operate in reinsurance and retrocession activities. The final regulation is expected to provide greater legal certainty and transparency to this segment of the insurance industry. Consultation closes on December 28. ([more detail](#))

BCB · Normative instruction about the templates for the reports of ICAAP and ICAAPSim

12/10 · Risk and Capital · Prudential reporting

The Banco Central do Brasil (BCB) has issued a normative instruction which discloses the templates for the reports under the Internal Capital Adequacy Assessment Process (ICAAP) and the Simplified Internal Capital Adequacy Assessment Process (ICAAPSIM). The instruction specifies the information to be included on governance, strategy, risk management, stress testing, capital planning, internal audit and action plans, and introduces dedicated sections for social, environmental and governance (ESG) risk. As of 1 July 2026, institutions will have specific obligations under Arts. 3 and 6 of the templates. ([more detail](#))

SUSEP · Presentation of a preview of the new version of Reinsurance Monitoring System layout

12/12 · Non-Financial Reporting

The Superintendence of Private Insurance (SUSEP) has presented to the insurance sector a preview of the new version of the Reinsurance Monitoring System (SRO) layout. The updated layout aims to improve data reporting and streamline the insurance market supervision process. The SUSEP will hold a public consultation to gather feedback from industry participants before finalizing the new SRO layout. ([more detail](#))

BCB · Strengthening of cyber security and cloud service requirements in the financial system

12/18 · Data Protection and Privacy · Cybersecurity and Other Technology Risks

The National Monetary Council (CMN) Resolution No. 5,274/2025 and the Central Bank of Brazil (BCB) Resolution No. 538/2025 jointly update Brazil's regulatory framework on cybersecurity and on the outsourcing of data processing and storage and cloud computing services by regulated entities. In particular, CMN Resolution No. 5,274 amends Resolution No. 4,893/2021, strengthening requirements on cybersecurity policies, governance, risk management and oversight of technology service providers. BCB Resolution No. 538 amends Resolution No. 85/2021, extending and aligning these requirements for payment institutions and other entities supervised by the BCB, with the aim of strengthening operational resilience and protecting the financial system. ([more detail](#))

ANBIMA · Good practice guide for the use of artificial intelligence in the financial market

12/18 · Artificial Intelligence

The Brazilian Association of Financial and Capital Market Entities (ANBIMA) has advanced its innovation agenda with the publication of a new guide on best practices for contracting artificial intelligence (AI) systems. The guide complements existing publications on the ethical use and governance of AI in financial and capital markets. It provides practical guidance covering the identification of business needs, technical and compliance criteria, supplier assessment, technological and contractual due diligence, and post-implementation monitoring of AI solutions. The objective is to support institutions in the strategic, secure and responsible adoption of AI, while mitigating operational and regulatory risks. ([more detail](#))

PREVIC · Update to Resolution on investments, ESG criteria, diversity and communications

12/18 · Sustainability · Disclosure

The National Superintendence of Complementary Pension (PREVIC) has updated Resolution PREVIC No. 23/2023, a key regulatory framework for Closed Complementary Pension Entities (EFPCs), introducing additional requirements on investments, environmental, social and governance (ESG) criteria, diversity, equity and inclusion (DEI), and communication with participants, beneficiaries and sponsors. The update recommends that S1 and S2 EFPCs establish integrity and DEI programmes, adopt accessible communication policies and ethical customer service practices, and requires greater investment transparency and alignment with National Monetary Council (CMN) Resolution No. 5,202/2025. The deadline to adapt plan regulations to the requirements of National Council of Complementary Pension (CNP) Resolution No. 50/2022 has been extended until 31 December 2026. ([more detail](#))

Chile

CMF · Update of financial reporting regulations for regulated entities

13/10 · Reporting

The Financial Market Commission (CMF) has issued new regulations updating the financial reporting requirements for all regulated entities, including banks, fund administrators, insurance companies, and other financial institutions. Key changes include the obligation to provide standardized financial information in uniform formats, disclose risks and contingencies (credit, market, liquidity, and operational), comply with international standards such as International Financial Reporting Standards (IFRS) and undergo independent external audits. ([more detail](#))

CMF · Amendment to the Accounting Standards Compendium for savings and credit cooperatives

10/21 · Accounting

The Financial Market Commission (CMF) has issued a General Rule (NCG), amending the Accounting Standards Compendium (CNC) applicable to supervised savings and credit cooperatives. The NCG updates the accounting treatment of provisions, impairments, and write-offs, and introduces adjustments to financial statement disclosures. It also clarifies the recognition of interest income and the classification of financial assets. The new

regulation will take effect starting from the financial information corresponding to the 2026 fiscal year. ([more detail](#))

CMF · Update of the Information System Manual and the Accounting Standards Compendium for banks
10/21 · Accounting

The Financial Market Commission (CMF) has issued a circular updating the General Instructions of the Information System Manual and Chapter C-3 of the Accounting Standards Compendium (CNC) applicable to banks. The rule extends to subsidiaries and support companies the obligation to report information on loans granted under the Special Guarantee Fund (FOGAES) programs and adds new accounts related to accrued interest from interest rate subsidy programs. It will take effect with data from December 2025, to be reported in January 2026. ([more detail](#))

CMF · Draft Regulation to increase female participation in boards of public and special corporation
10/28 · Compliance and conduct

The Financial Market Commission (CMF) has issued a draft regulation setting requirements to increase female participation on the boards of public and special corporations. From 1 January 2026, firms must report their board composition to the CMF. They are also required to submit annual board information by 31 January each year and update it within 5 business days in case of vacancies or new elections. ([more detail](#))

CMF · Public consultation on the Regulatory Report regarding the requirement associated with liquidity monitoring for insurance companies and the creation MSI Seguros
10/27 · Capital, liquidez y apalancamiento

The Financial Market Commission (CMF) has published the Regulatory Report on the requirement for monitoring the liquidity of insurance companies and the creation of the Insurance Information System Manual (MSI Seguros). The objective of this regulatory proposal is to establish a new periodic liquidity reporting requirement, which will improve the measurement of inherent liquidity risk in insurers and advance them toward international best practices. Furthermore, it introduces the first MSI Seguros framework, which aims to centralize current reporting requirements within a single regulatory framework. The public consultation period will remain open until December 9, 2025. Insurers must begin submitting the required information with a closing date of September 30, 2026, and the submission deadline is October 15, 2026. ([more detail](#))

CMF · Draft regulation on the presentation of financial statements by insurance companies
10/27 · Accounting · Reporting

The Financial Market Commission (CMF) has published a draft regulation on the presentation of financial statements by insurance companies, with the aim of requiring the International Financial Reporting Standards (IFRS) exclusively for domestic insurance and reinsurance companies, that have securities registered in the Securities Registry, as well as for insurers that must consolidate their financial statements with their parent companies that issue securities, with the exceptions established for the annuity business line. The regulation will come into force in fiscal year 2028, and the first presentation of financial statements under IFRS must be made in 2029. ([more detail](#))

MinInterior · Update of the national climate strategy
11/06 · Sustainability

The Ministry of the Interior and Public Security (MinInterior), together with the Climate Change Office, has published the updated national climate strategy. The document sets strategic objectives for emission reduction and climate change adaptation for the coming years, prioritizing key sectors such as energy, transport, agriculture and infrastructure. It includes quantitative mitigation and adaptation targets, monitoring indicators, and interagency coordination mechanisms, and strengthens alignment with the country's international commitments under the Paris Agreement. ([more detail](#))

CMF · Instructions on information submission for portfolio managers
11/07 · Compliance and conduct · Reporting

The Commission for the Financial Market (CMF) has issued a general rule which provides instructions for entities registered as portfolio managers, other than general fund managers and securities intermediaries, regarding their periodic information submission. The rule requires monthly reporting of key figures such as business volume, number of clients, minimum capital, risk-weighted assets, capital requirements and risk-weighted assets for crypto-assets, portfolio administration and established guarantees. The rule also specifies submission deadlines and the use of the CMF supervisa module for data transmission. The instructions will become mandatory as of July 1, 2026. ([more detail](#))

SP · Public consultation on supplementary report of the long-term financial situation
11/11 · Reporting

The Superintendence of Pensions (SP) has issued a public consultation on a draft regulation introducing a supplementary report on the long-term financial position of the Autonomous Pension Protection Fund (FAPP), a standalone public fund created to ensure the sustainability of the new Social Pension Insurance (SSP) and manage its resources. The report, called Economic Balance, is intended to reflect the Fund's sustainability over a long horizon (up to 75 years), including actuarial projections, assets and liabilities composition, current and future funding sources, and the technical assumptions used. The initiative invites public comments until November 21, seeks to increase transparency about the FAPP's operations and its role in financing the SSP, whose benefits start paying out in January 2026. ([more detail](#))

CMF · Adjustments to the regulatory framework of the Open Finance System

11/12 · Compliance and conduct

The Financial Market Commission (CMF) has issued the Regulation amending General Rule (NCG) n° 514 to update the implementation of the Open Finance System (SFA). The main changes include a 12-month extension of the effective date, the establishment of a pilot period, the introduction of a simplified participation scheme for smaller entities, the standardization of the alternative mechanism, and the extension of transactional data history to 24 months. The amendment also introduces clarifications regarding client consent requirements and the functioning of data exchange and authentication processes within the SFA. ([more detail](#))

CMF · Circular on the modification of the Fund Information System

11/21 · Reporting · Capital markets

The Financial Market Commission (CMF) has issued General Rule (NCG) No. 554, which introduces extensive amendments to NCG No. 532 in order to update the Funds Information System. The rule: (i) fully replaces regulatory files from FONDOS01, relating to the investment portfolio in instruments other than derivative contracts, through FONDOS07, relating to capital reductions and dividend distributions of non-redeemable investment funds; (ii) introduces new derivative reporting obligations aligned with the Central Bank of Chile's Integrated Derivatives Transactions Information System (SIID); (iii) adds new forms and six reference tables; (iv) strengthens data validation and submission processes; (v) reorganises regulatory content; and (vi) updates the rules applicable to capital reductions and dividend distributions. The regulation will enter into force on 1 June 2026, establishes a transition period until 30 November 2026, and sets 30 September 2026 as the deadline for updating collateral. ([more detail](#))

CMF · Circular letter amending the NCG on the MSI Fintec

11/24 · Reporting

The Financial Market Commission (CMF) has issued a circular amending General Rule (NCG) No. 530 on the Fintec Information System Manual (MSI Fintec), in order to correct numbering, update terminology and improve the technical consistency of the fields reported by service providers authorised under Law No. 21,521. The circular introduces structural and coding adjustments to regulatory files FINTEC01 to FINTEC16. File FINTEC01 contains information on the volume, size and nature of the business, as well as the number of clients served by each entity. File FINTEC16, in turn, contains information on own-account portfolio balances in alternative trading systems (ATS). These changes include modifications to field types and the standardisation of criteria for recording transactions. The circular entered into force on 24 November 2025 and sets 30 September 2026 as the deadline for collateral reporting. ([more detail](#))

CMF · Public consultation on a regulatory report on a compendium of rules applicable to general fund managers and their funds

11/25 · Corporate governance · Risks · Accounting · Compliance and conduct

The Financial Market Commission (CMF) has opened a public consultation on a regulatory report accompanying a proposed General Regulation (NCG) aimed at systematizing and modernizing the administrative regulations applicable to general fund managers and mutual and investment funds supervised by the CMF. The proposal creates a regulatory compendium structured in five sections: i) definitions; ii) administrators; iii) supervised funds; iv) private funds; and v) record keeping. In addition, it aligns the regulation with international standards, including enhanced corporate governance and risk management requirements, new rules on internal regulations, marketing of shares, risk labeling criteria, use of Global Investment Performance Standards (GIPS) for the presentation of returns, and rules on asset valuation in accordance with International Financial Reporting Standards (IFRS). The consultation is open for comments until February 2, 2026. ([more detail](#))

SP · Consultation that improves the current regulations for creating an AFP and limits business groups to owning only one administrator

12/01 · Compliance and conduct · Corporate governance

The Superintendency of Pensions (SP) has published for public consultation a draft regulation aimed at improving and harmonising the rules governing the constitution and authorisation of new pension fund administrators (AFPs). The proposal tightens existing legal requirements, strengthens the feasibility study, clarifies definitions of net equity and authorised assets, and demands a robust organisational governance structure with suitability requirements for senior executives and the investment management team. It also establishes that a single business group may not own more than one AFP, to avoid concentration and conflicts of interest. The consultation is open until 16 December 2025. ([more detail](#))

CMF · Modernisation of the regulatory framework for CMF-supervised credit cooperatives

12/02 · Compliance and conduct · Reporting

The Financial Market Commission (CMF) has published a draft regulation to modernise the framework applicable to credit cooperatives under its supervision, in line with the powers granted by the Financial Resilience Law. The initiative creates the Updated Compilation of Rules (RAN CACs) and the Information System Manual (MSI CACs) to consolidate, organise and update existing provisions, strengthen governance and the responsibilities of governing bodies, adapt the management-assessment model to the cooperative context with a proportional approach, and modernise reporting and data quality through updated structures and fields. It also introduces definitions and regulatory references to reduce ambiguities and requires documentary, operational and technological adjustments by the cooperatives. The draft is open for public consultation until 12 January 2026. ([more detail](#))

CMF · Draft Regulation to Strengthen the Consent Management System of the REDEC

12/02 · Compliance and conduct · Reporting

The Financial Market Commission (CMF) proposes amending General Rule (NCG) No. 540, which regulates the operation of the Consolidated Debt Registry (REDEC), in order to strengthen the management of debtor consent in the Consolidated Debt Registry (REDEC). The changes require reporting entities to notify the debtor of each consent granted, to digitize and encrypt consents using SHA-256 hash, to create an internal code registry, to improve regulatory reporting and to enable application programming interfaces (APIs) for the submission and request of consents. The revocation of authorizations granted to third parties is also incorporated, obligations regarding traceability, integrity and auditability are reinforced, and new requirements are established for supervision and oversight by the CMF. ([more detail](#))

MEFT · Implementation guidance on international contractual clauses**12/12 · Regulatory Compliance**

Ministry of Economy, Development and Tourism (MEFT) has issued an implementation guide on the use of international contractual clauses in cross-border transactions. The guidance provides practical criteria and interpretative clarifications on the inclusion of choice of law, jurisdiction, arbitration and international dispute resolution clauses, aiming to enhance legal certainty, mitigate contractual risks and promote consistent application of the applicable regulatory framework. The guide is interpretative in nature and does not introduce new obligations or implementation deadlines. ([more detail](#))

CMF · Draft regulation on External Audit Firms**12/16 · Regulatory Compliance**

The Financial Market Commission (CMF) has published a draft regulation on External Audit Firms (EAFs) aimed at consolidating and harmonising the regulatory framework currently fragmented across sector-specific rules. The proposal establishes a single, cross-sector regulatory framework, strengthening: i) requirements on registration; ii) technical fitness; iii) internal governance; iv) independence; v) quality control; vi) ongoing reporting; vii) audit records and viii) formal audit opinions, in line with international standards and to support a more consistent, risk-based supervisory approach by the CMF. The public consultation is open until 8 February 2026. ([more detail](#))

Colombia**SFC · Modification of the pro forma statement on real interest rates on the loan portfolio balance****(10/02) · Compliance & conduct**

The Financial Superintendency of Colombia (SFC) has issued External Circular 0014 of 2025, which provides instructions for strengthening the liquidity of capital markets, in accordance with Decree 1239 of 2024. The regulation introduces amendments to the Basic Legal Circular and the Basic Accounting and Financial Circular, covering topics such as the duty to advise, rules for issuing securities, advisory activities in the securities market, the role of liquidity providers, the management of recurring securities lending, and the disclosure of information on short sales. In addition, provisions for custodians, collective investment fund distributors, and securities trading systems are updated. The circular entered into force on October 3, 2025. ([more detail](#))

SFC · External Circular issuing instructions to strengthen capital market liquidity**10/02 · AAMM + Private banking**

The Colombian Financial Superintendency (SFC) has published External Circular 0014 of 2025, issuing instructions to strengthen capital market liquidity, in accordance with Decree 1239 of 2024. Among the main measures are the modification of rules on the duty to provide investment advice, new requirements for general investment instructions, guidelines on recurring securities lending, short selling, and securities custody. Provisions on information disclosure by market intermediaries are also incorporated, and the previous chapter on liquidity providers is repealed and replaced by a new, more robust and harmonized regulatory framework. The instructions will enter into force in October 2026, with the possibility of early adoption by supervised entities. ([more detail](#))

SFC · External Circular with instructions for managing ESG risks**10/03 · Sustainability**

The Colombian Financial Superintendency (SFC) has published External Circular 0015 of 2025, with instructions for managing governance, environmental and social (ESG) risks, including climate risk, in the entities under its supervision. Within the framework of the Green Finance and Climate Change Strategy, the circular establishes guidelines for entities to adequately identify, manage, and report these risks, particularly in credit operations. The instructions do not impose automatic restrictions, but rather seek to strengthen the resilience of the financial system in the face of the challenges of climate change and other socio-environmental risks. The circular introduces a new chapter in the Basic Accounting and Financial Circular and modifies provisions on the internal control system. The measures must be implemented within six months of publication. ([more detail](#))

SFC · Implementation of the Single credit Portfolio Reporting Module**14/10 · Reporting · Credit and capital**

The Financial Superintendence of Colombia (SFC) has issued an external circular, establishing the Single Credit Portfolio Reporting Module (MURIC). This module centralizes and standardizes credit portfolio reporting for all supervised entities, including banks, credit unions, and other financial institutions. Key requirements include the periodic submission of detailed information on balances, delinquency, risk classification, collateral, and

restructured operations; the use of standardized formats to ensure consistency and comparability and maintaining validated and audited information. [\(more detail\)](#)

SFC · Circular about linked-party transactions regime for credit institutions

10/24 · Compliance and conduct

The Superintendencia Financiera de Colombia (SFC) has published a draft External Circular establishing rules on transactions between credit institutions and their linked parties. The draft defines criteria to consider private equity funds and autonomous patrimonies as linked parties, and sets rules for the identification, measurement, monitoring, management and reporting of such transactions. The instructions in the new Chapter XXXVI will take effect on 9 May 2026. [\(more detail\)](#)

BRC · Regulatory circular about transitory liquidity support

10/31 · Capital, liquidity and leverage

The Bank of the Republic of Colombia (BRC) has issued an external regulatory circular about transitory liquidity support (ATL), which fully replaces the version of March 25, 2025. The document updates the provisions governing access by credit institutions to temporary liquidity resources granted by the BRC, aimed at addressing short-term cash needs and supporting financial system stability. The circular describes the operational modalities of the facility, the access conditions, eligibility criteria, required documentation, and admissible securities to be used as collateral. It also sets out procedures for requesting, approving, disbursing, extending, and increasing the support amount, as well as the applicable financial conditions, including term, interest rate, and related costs. It will enter into force upon its publication on 31 October 2025. [\(more detail\)](#)

SFC · Guidelines on related-party transactions in financial institutions

11/07 · Accounting

The Financial Superintendence of Colombia (SFC) has issued a Circular that adds a new chapter on related-party transactions to the Accounting and Financial Basic Circular. The measure implements Decree 1358 of 2024, which regulates the identification and management of transactions between financial institutions and their related parties, in line with the recommendations of the Financial Sector Assessment Program (FSAP) and the Corporate Governance Principles of the Organisation for Economic Co-operation and Development (OECD) and the G20. The instructions will take effect on May 9, 2026. [\(more detail\)](#)

SFC · Circular on the implementation plan for the management of environmental and social risks

11/21 · Sustainability

The Colombian Financial Superintendency (SFC) has issued Circular 067 of 2025, which defines the guidelines for the implementation plan required by External Circular 015 of 2025 on the management of environmental and social risks, including climate risks, in supervised entities. The letter establishes the minimum structure of the plan: i) strategic roadmap; ii) schedule; iii) responsible parties; iv) budget; v) training; vi) monitoring mechanisms; vii) risk management stages; and viii) documentation. It also offers proportionality criteria and guidance on governance roles and differentiated levels of progress. As next steps, entities must develop a timetable that allows for a maximum period of 18 months for full implementation, formal submission of the plan to the SFC by April 3, 2026, at the latest, and explicit indication of whether they will apply the provisions of External Circular 015 in advance. [\(more detail\)](#)

SFC · Guidance on easing requirements for issuances and placements in the capital market

11/27 · Capital markets

The Financial Superintendency of Colombia (SFC) has issued new instructions that relax the requirements for conducting issuances and placements in the Colombian capital market, according to external circular 011 of 2025. The measure introduces two differentiated categories, known issuer and recurrent issuer, to facilitate access for new companies to the market and expedite financing processes through securities such as stocks, bonds, and securitization titles. The scheme significantly reduces response times: i) up to 30 business days to recognize the status of known issuer; ii) 15 days for subsequent issuances; and iii) 5 days for recurrent issuers. The SFC also presented the official seals that will visually identify both categories. [\(more detail\)](#)

SFC · Amendments of reporting template on effective interest rates of loan portfolios

12/12 · Financial reporting

The Financial Superintendence of Colombia (SFC) has issued External Circular 0019 of 2025, amending template F.1000-98 on effective interest rates of outstanding loan portfolios for natural and legal persons. The amendment introduces two additional indexations for reporting lending rates, linked to the Consumer Price Index (CPI) and the Banking Reference Indicator (IBR), in order to better capture credit market dynamics and enhance the usefulness of data for prudential analysis and supervision. The Circular requires mandatory testing in February 2026 and sets the first official submission, with data as of December 2025, by 16 March 2026. The Circular enters into force upon publication. [\(more detail\)](#)

BCRC · Amendments to foreign exchange procedures on external credit substitution and workers' remittances

12/16 · Credit

The Central Bank of Colombia (BCRC) has amended the external regulatory circular about the procedures applicable to foreign exchange operations to clarify the foreign exchange (FX) treatment of external credit substitution and update procedures applicable to workers' remittances. The changes specify reporting and FX declaration requirements for credit substitutions carried out in the same or in different currencies, introducing a new reason for non-channelling. In addition, the amendment regulates exclusive-use accounts for the distribution of workers' remittances, introduces new FX codes, adjusts the applicable exchange rate (TRM), and updates the

relevant reporting templates and quarterly remittance reports. All the requirements applied since the publication day. ([more detail](#))

SFC · Draft Circular setting out instructions on the EPR and the implementation of the PAC and PA

12/17 · Risks and capital

The Financial Superintendence of Colombia (SFC) has launched a public consultation on a draft External Circular setting out instructions on the stress testing framework (EPR) and the implementation of capital and liquidity self-assessment processes (PAC and PAL), in line with Basel Committee Pillar 2 recommendations. The draft updates the regulatory framework for stress testing, integrates stress tests into internal capital and liquidity assessment processes, and introduces a new dedicated chapter in the Accounting and Financial Regulatory Circular (CBCF). It also establishes a phased implementation regime, with general application from January 2028 and binding capital requirements arising from the PAC as of January 2029. The deadline for submitting comments is 22 December 2025. ([more detail](#))

Ecuador

JPRF · Resolution on the constitution, registration, organization, operation and liquidation of closed complementary pension funds

10/31 · Compliance and conduct

The Financial and Monetary Policy and Regulation Board (JPRF) has issued the resolution which sets out a comprehensive regulatory framework for the constitution, registration, organization, operation and liquidation of closed complementary pension funds (FCPC). The document defines legal requirements for establishment, corporate governance structure, responsibilities of legal representatives, minimum capitalisation requirements, investment policies, supervision and auditing of such funds. It also addresses the regime for voluntary and compulsory liquidation, mechanisms for participant protection and reporting transparency. This resolution will come into force as of its issuance. ([more detail](#))

Mexico

CNBV · Resolution amending the official format for reporting international fund transfers

11/27 · Reporting

The National Banking and Securities Commission (CNBV) has amended the official format for reporting international fund transfers, under the General Provisions referred to in Article 115 of the Credit Institutions Law. The resolution aligns the fields and business rules with the International Organization for Standardization (ISO) 20022 standard, details the validations applicable to message type (MT) SWIFT and XML format (MX) messages, and adds a new mandatory field to identify the countries or jurisdictions involved in each transaction. The use of the format will become mandatory from 22 November 2025. ([more detail](#))

CNBV · Amendments to the general provisions applicable to issuers and market participants

12/02 · Reporting

The National Banking and Securities Commission (CNBV) has amended the General Provisions for issuers and other market participants to standardise quarterly reporting deadlines and strengthen legal certainty in financial disclosure. The reforms update Article 7 regarding credit-rating requirements, issuance-deed documentation and obligations for instruments subject to capital calls. Article 33 is adjusted to harmonise financial-reporting deadlines, with specific exceptions preserved for certain fiduciary securities and investment-promotion corporations. A new Annex AB is added, detailing the procedure and documentation required to formalise issuance deeds before the Commission. ([more detail](#))

CNBV · Amendment to the prudential rules on financing limits and large exposures for credit institutions

12/02 · Reporting · Corporate governance

The National Banking and Securities Commission (CNBV) amended the rules for credit institutions to clarify criteria for identifying large exposures and financing limits to counterparties or interconnected groups, particularly those linked to multiple-purpose financial firms. The changes update definitions, revise economic-interdependence criteria, adjust exposure limits under Article 54, strengthen assessment and reporting obligations for risk committees and set procedures for correcting breaches and requesting exemptions. The resolution takes effect the day after publication, and institutions must update the A-3511 report by 1 March 2026. ([more detail](#))

CNBV · Resolution amending the general provisions applicable to credit institutions

12/04 · Capital, liquidity and leverage

The National Banking and Securities Commission (CNBV) has amended the provisions applicable to credit institutions to clarify the treatment of Operations Subject to Credit Risk, including those carried out with or borne by trusts. The Resolution adjusts the composition of risk groups and capital weights based on credit ratings and registration with the Ministry of Finance and Public Credit (SHCP), and replaces Annexes 1-B and 1-G. As next steps, it enters into force the day after its publication and institutions will have a 90-day period to comply. ([more detail](#))

Peru

SBS · Draft amendment to the Chart of Accounts for insurance system companies

10/16 · Accounting

The Superintendent of Banking, Insurance and Private Pension Fund Administrators (SBS) has released for public consultation a draft regulation amending the Chart of Accounts for insurance system companies. The proposed changes aim to standardize the accounting treatment of redemptions and maturities in life insurance policies, updating the description and operation of several accounts and the grouping rules for financial statements. The public has until 16 November 2025 to submit comments. ([more detail](#))

SBS · Public consultation on amendments in the required capital and prudential requirements applicable to disability and survivor insurances

10/31 · Capital

The Superintendence of Banking, Insurance and Pension Funds (SBS) has launched a public consultation on a draft regulation amending the rules on capital requirements and prudential standards applicable to the disability and survivor insurance system (SISCO). The proposal updates the discount rate methodologies for calculating required pension capital, revises the solvency margin and technical reserve frameworks, eliminates certain temporal adjustments, and requires monthly estimation of incurred but not reported (IBNR) claims. It also clarifies criteria for the Complementary Occupational Risk Insurance (SCTR). Comments can be sent until November 15, 2025 and the final rule is expected to take effect on 1 January 2026. ([more detail](#))

SBS · Amendments to the resolution on activities in novel models

11/25 · Compliance · Internal models

The Superintendency of Banking, Insurance and Private Pension Fund Administrators (SBS) has approved amendments to the regulation on the temporary performance of activities under innovative models, defined as innovative financial business models or activities assessed within a controlled environment. The regulation extends participation to non-supervised institutions and sets application requirements, including technical, operational and financial information; liquid guarantees; and an exit plan. It also regulates individual or group applications, supervisory mechanisms during the test phase, and a maximum period of thirty months. ([more detail](#))

SBS · Amendments to the consolidated supervision regulations for financial and mixed conglomerates

11/27 · Risks and capital · Reporting · Accounting

The Superintendency of Banking, Insurance, and Private Fund Administrators (SBS) has issued resolution n° 04200-2025, which modifies the regulation for the consolidated supervision of financial and mixed conglomerates. The regulation: i) updates the treatment of profits, losses, and capitalization agreements in the calculation of effective equity; ii) strengthens the reversal rules applicable to intragroup investments; iii) incorporates new information requirements, such as elimination sheets and comprehensive risk management documents; and iv) replaces the article on the consolidation of financial statements, specifying the applicable accounting framework and harmonization criteria. The resolution will be applicable to information from the first quarter of 2026. ([more detail](#))

SBS · Draft resolution to align the Regulation on consolidated supervision of financial and mixed conglomerates with legislative Decree n° 1646 and the limits Regulation

12/12 · Regulatory Compliance

The Superintendence of Banking, Insurance and Pension Funds (SBS) has published a draft resolution to align the Regulation on consolidated supervision of financial and mixed conglomerates with legislative Decree n° 1646 and the limits Regulation. The proposal introduces revised consolidated concentration limits on financing, setting a general cap of 25% of Tier 1 regulatory capital, as well as a specific 15% limit in certain cases involving financial institutions subject to a market concentration risk buffer. The draft also amends regulatory annexes and establishes a phased implementation, applicable from June 2026 consolidated information, with a transition period until June 2030. The deadline for submitting comments is 29 December 2025. ([more detail](#))

Honduras**CNBS · Amendment to the calculation of the credit impairment coverage ratio**

12/12 · Credit

The National Commission of Banks and Insurance (CNBS) has issued Circular CNBS No.012/2025, amending the Rules for the Evaluation and Classification of the Credit Portfolio to maintain and formalise the calculation method for the impairment coverage ratio, which recognises the value of collateral as a mitigant of expected credit losses on non-performing loans. The circular establishes a 110% minimum coverage requirement, sets discount factors by type of collateral, and clarifies applicable delinquency thresholds, including specific treatment for the agricultural sector. The resolution enters into force upon its publication in the Official Gazette La Gaceta. ([more detail](#))

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Main organisms being monitored

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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

American region ⁽¹⁾

US	Fed, SEC, OCC, FDIC
Mexico	CONAMER, DOF, SHCP, CNBV, CNSF
Brazil	BCB, Susep, CVM
Argentina	BCRA
Peru	SBS, Diario Oficial, SMV
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