

INTERNATIONAL REGULATORY UPDATE 26 – 30 MAY 2025

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ESMA calls on social media companies to tackle unauthorised financial ads

The European Securities and Markets Authority (ESMA) has [written](#) to social media and platform companies encouraging them to take proactive steps to prevent the promotion of unauthorised financial services.

ESMA is concerned that the increasing spread of online scams targeting retail investors poses a serious risk to investors themselves and to society, with fraudulent actors exploiting digital platforms to advertise unlawful financial services. According to ESMA, these activities often mislead consumers into engaging with firms that lack proper authorisation, resulting in financial losses and in a loss of trust in the financial sector.

ESMA's letters are intended to complement the International Organization of Securities Commissions (IOSCO)'s recent initiative highlighting the global nature of doing online harm linked to financial misconduct.

EBA publishes final technical package for reporting framework

The European Banking Authority (EBA) has published the [final technical package](#) for version 4.1 of its reporting framework.

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International Regulatory Group Contacts

[Marc Benzler](#) +49 69 7199 3304
[Caroline Dawson](#) +44 207006 4355
[Steven Gatti](#) +1 202 912 5095
[Rocky Mui](#) +852 2826 3481
[Lena Ng](#) +65 6410 2215
[Gareth Old](#) +1 212 878 8539

International Regulatory Update Editor

[Joachim Richter](#) +44 (0)20 7006 2503

To email one of the above, please use firstname.lastname@cliffordchance.com

Clifford Chance LLP,
10 Upper Bank Street,
London, E14 5JJ, UK
www.cliffordchance.com

The technical package provides the standard specifications that include the validation rules, the data point model (DPM) and the XBRL taxonomies to support reporting obligations including:

- Pillar 3 templates included in the implementing technical standards (ITS) on Pillar 3 disclosures, for the purpose of the Pillar 3 data hub;
- own initiative guidelines on the reporting of data that competent authorities will need for their supervisory tasks and for significance assessments under the Markets in Cryptoassets Regulation (MICA) reporting; and
- the integration of the ITS on instant payments reporting into DPM and taxonomy.

A series of validation rules have also been added to the ESG ad-hoc data collection module.

According to the EBA, the package will support the assessment and identification of significant cryptoasset providers and support the centralisation of institutions' prudential disclosures in the EBA Pillar 3 data hub, facilitating access and usability of the information to all users, including institutions. The framework will apply from June 2025.

IOSCO updates liquidity risk management recommendations for collective investment schemes

IOSCO has published its [final report](#) on revised recommendations for liquidity risk management for collective investment schemes (CIS), alongside its implementation guidance.

The final report includes 17 recommendations across six sections:

- CIS design process;
- liquidity management tools and measures;
- day-to-day liquidity management practices;
- stress testing;
- governance; and
- disclosures to investors and authorities.

The implementation guidance supplements the revised recommendations with more detailed guidance and good practices to support effective implementation.

FCA consults on stablecoins, crypto custody and prudential regime for cryptoasset firms

The Financial Conduct Authority (FCA) has published two consultation papers on stablecoin issuance and cryptoasset custody ([CP25/14](#)) and a prudential regime for cryptoasset firms ([CP25/15](#)).

CP25/14 sets out the FCA's proposed requirements for firms that wish to issue a qualifying stablecoin in the UK, as well as proposals for firms that seek to custody cryptoassets for UK consumers. The proposed rules are intended to ensure that regulated stablecoins maintain their value and that customers are provided with clear information on how the backing assets are being managed.

CP25/15 sets out the proposed prudential requirements for stablecoin issuers and cryptoasset custodians, as well as rules that will be relevant for all cryptoasset firms.

The proposals follow HM Treasury's draft legislation published in April 2025.

Comments on both consultations are due by 31 July 2025. The FCA intends to publish its final rules in 2026.

Pensions Investment Review: UK Government publishes final report

The UK Government has published a [final report](#) setting out the conclusions of the Pensions Investment Review launched in July 2024. Legislation to implement the reforms will form part of the forthcoming Pension Schemes Bill.

The reforms are intended to consolidate the defined contribution (DC) workplace pensions market in order to enable more investment in productive assets and greater potential returns for members of DC workplace schemes. The reforms also involve consolidation in the Local Government Pension Scheme in England and Wales (LGPS) and overhaul the way the LGPS invests.

The final report is accompanied by the publication of the Government's [response](#) to its consultation on unlocking the UK pensions market for growth, published in November 2024.

BaFin issues general decree on remuneration notices for investment firms

The German Federal Financial Supervisory Authority (BaFin) has issued a [general decree](#) (Allgemeinverfügung) on remuneration notices for investment firms for the reporting date 31 December 2024, to take into account revised EBA guidelines.

The Investment Firms Directive (IFD) stipulates rules for remuneration notices by investment firms, which have been specified by guidelines issued by EBA, namely EBA/GL/2022/06, EBA/GL/2022/07 and EBA/GL/2022/08 on the comparison of remuneration practices, gender pay-gap and the approved maximum value for the ratio applicable to large and medium-sized investment firms, respectively.

The EBA guidelines are going to be implemented into the Investment Firms Act (Wertpapierinstitutsgesetz – WpIG) and the German Regulation on the Disclosure of Investment Firms (Wertpapierinstituts-Anzeigenverordnung – Wpl-AnzV). However, this process will not be completed in time for the remuneration data to be collected by BaFin by 15 June 2025 and submitted to EBA by 31 July 2025 as required.

Accordingly, BaFin has issued a general decree on remuneration notices for investment firms. A similar general decree was issued in 2024. In addition to the content of the previous general decree, large investment firms will be obliged to report not only income millionaires but also a rise in bonus caps.

BaFin consults on amendments to Ownership Control and Notification Ordinance

BaFin has launched a [consultation](#) on a draft Ordinance for the simplification of ownership control procedures and person-related notifications.

The draft Ordinance contains amendments to the German Ordinance on Notifications under section 2(c) of the Banking Act and section 17 of the Insurance Supervision Act, also referred to as the Ownership Control Ordinance (Inhaberkontrollverordnung - InhKontrollV), and to the Notification Ordinance (Anzeigenverordnung - AnzV).

To reduce bureaucratic hurdles in the ownership control procedure, the draft stipulates, among other things, that indirect acquirers not at the top of the acquiring group generally only need to notify their intention to acquire, without submitting additional documents. In ownership control procedures for leasing and factoring institutions in resolution, the supervisory authority may waive document requirements. Further simplifications focus on natural persons and the documentation proving their reliability.

Comments are due by 5 June 2025.

HKMA provides guidance on FX Global Code

The Hong Kong Monetary Authority (HKMA) has issued a [circular](#) to provide guidance on the steps for authorised institutions (AIs) to follow in light of the latest version of the global code of conduct standards and practices for the wholesale foreign exchange market (FX Global Code) published by the Global Foreign Exchange Committee on 24 January 2025.

The FX Global Code, first published in May 2017 and reviewed every three years, represents a single set of global principles of good practices for the wholesale FX market. Under the supervisory policy manual module entitled 'CG-6: Competence and Ethical Behaviour', the HKMA requires AIs to, among other things, maintain adequate systems of control to ensure that their staff members observe any codes of conduct or standards issued by professional bodies of which they are members or associates, including the Treasury Markets Association code of conduct and practice (TMA Code). Considering that the FX Global Code has been part of the TMA Code since 2017, the HKMA expects all AIs to take appropriate steps to:

- review their practices in light of the updated FX Global Code and ensure that they maintain adequate systems of control to support their observance of the FX Global Code; and
- demonstrate such status by issuing or renewing the statement of commitment as provided in Annex 3 of the FX Global Code, having regard to the relevance of the latest updates to their FX market activities, and providing it to the TMA on or before 24 January 2026.

The HKMA also encourages AIs to promote the updated FX Global Code to counterparties and customers to which this code should apply.

MAS consults on proposed amendments to Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations

The Monetary Authority of Singapore (MAS) has launched a [consultation](#) on proposed amendments to the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (SF(FMR) Regulations).

The MAS has conducted a review of the margin requirements for product financing under the SF(FMR) Regulations as part of ongoing efforts to ensure

that its regulatory framework remains relevant amid developments in the capital markets. Based on its review, the MAS proposes to:

- amend regulation 24(3)(a) of the SF(FMR) Regulations to increase the aggregate limit on margin exposures in the margin accounts of all customers of a capital markets services licence (CMSL) holder from 300% to 500% of the CMSL holder's free financial resources (defined as the financial resources of the holder less the total risk requirement of the holder). The proposed revision to the aggregate margin exposure limit is intended to: (a) allow a CMSL holder to better support investors' trading interest in specified products, and (b) align Singapore's requirements more closely with similar restrictions imposed by other jurisdictions, where such limits range between five times and ten times a broker's regulatory capital; and
- remove the current limit under regulation 24(3)(b) of the SF(FMR) Regulations, which requires a CMSL holder to ensure that its product financing activities in respect of specified products offered on a non-approved exchange do not exceed 100% of its free financial resources. The MAS proposes to remove this requirement as it considers that the overall aggregate margin exposure limit requirement under regulation 24(3)(a) of the SF(FMR) Regulations is sufficient to limit the leverage risk of a CMSL holder.

Comments are due by 21 June 2025.

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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London, E14 5JJ

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