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MiCA: RTS on market abuse published in Official Journal

[Commission Delegated Regulation \(EU\) 2025/885](#) containing regulatory technical standards (RTS) under the Markets in Cryptoassets Regulation (MiCA) has been published in the Official Journal.

The RTS specify the arrangements, systems and procedures to prevent, detect and report market abuse, the templates to be used for reporting suspected market abuse, and the coordination procedures between the competent authorities for the detection and sanctioning of market abuse in cross-border market abuse situations.

The Delegated Regulation will enter into force on 9 September 2025.

EU Commission consults on delegated acts under REMIT

The EU Commission has launched consultations on two draft delegated acts under the revised Regulation on wholesale energy market integrity and transparency (REMIT).

Under REMIT, market participants are required to report certain information to the EU Agency for the Cooperation of Energy Regulators (ACER). They do this through inside information platforms (IIPs) and registered reporting mechanisms (RRMs). The [draft delegated regulation](#) lays down the framework for the authorisation of IIPs and RRM by ACER, as well as the supervision, withdrawal and orderly substitution processes for these entities.

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This is aimed at ensuring that IIPs and RRM s carry out their operations in a way that serves the objectives of the revised REMIT while keeping the reporting burden to a minimum.

The EU Commission is also consulting on a new [implementing regulation](#) laying down rules for providing data to ACER. The new regulation would repeal and replace the existing REMIT Implementing Regulation ((EU) No 1348/2014) to reflect amendments to REMIT. According to the Commission, the decision to repeal and replace the existing regulation stems from the need to simplify the text and make it clearer and easier to follow, considering the significant number of amendments proposed.

Comments on both consultations are due by 15 September 2025.

CRR: EBA publishes final draft RTS for off-balance sheet items conversion factors

The European Banking Authority (EBA) has published its [final draft RTS](#) on the allocation of off-balance sheet items and unconditionally cancellable commitment (UCC) considerations under Article 111 (8) of the Capital Requirements Regulation (CRR).

Article 111 of the CRR sets out the provisions to determine exposure values under the standardised approach for credit risk, including the specification for off-balance sheet items. The assignment criteria proposed by the draft RTS are intended to distinguish between different levels of conversion risk of off-balance sheet items by referring to a simple set of risk characteristics of the respective items. The main elements of differentiation are:

- financial covenants;
- whether a non-credit related event must occur before the institution may become exposed to the risk of credit losses; and
- optionality that an obligor may or may not draw the off-balance sheet item.

The final draft RTS introduce four factors to be considered as constraining institutions' ability to cancel a UCC that relates to risk management processes and commercial considerations, as well as to reputational and litigation risks.

To minimise the reporting burden, the EBA proposes to implement the notification process of off-balance sheet items not already included in Annex I of the CRR via the COREP framework.

The EBA will submit the draft RTS to the EU Commission for endorsement.

MiFID: FCA publishes findings on algorithmic trading controls

The Financial Conduct Authority (FCA) has published [high-level observations](#) from its multi-firm review on algorithmic trading controls under the MiFID regulatory technical standards (RTS) 6.

The review assessed a sample of principal trading firms' compliance with RTS 6 in order to identify good practices among algorithmic trading firms and areas of weakness in algorithmic controls.

The FCA reviewed each firm's most recent RTS 6 self-assessment, validation report and supporting documentation to consider whether firms have addressed each aspect of RTS 6, the quality of the self-assessments, and the

evidence supporting the firm's conclusions. It has divided its finding into those relating to governance, development and testing, risk controls, and market abuse surveillance, and identified examples of good practices and room for improvement for each.

SFC issues circular on custody standards for virtual asset trading platforms to safeguard client virtual assets

The Securities and Futures Commission (SFC) has issued a [circular](#) setting out its expectations for all licensed virtual asset trading platforms (VATPs) on ensuring the robust custody of client virtual assets, as part of the industry's transition to more advanced custody technologies under the 'ASPIRe' roadmap.

Noting cases of custody vulnerabilities that have arisen overseas, the SFC emphasises the need for VATPs to critically review and strengthen their custody practices. The regulator's own targeted review to evaluate VATPs' resilience against cybersecurity threats earlier in 2025 also revealed inadequacies in some operators' controls.

The SFC notes that multiple cybersecurity incidents at overseas virtual asset platforms resulting in significant client asset losses have highlighted the persistent risks to custody globally. According to the SFC, key weaknesses in wallet infrastructures and controls include compromised third-party wallet solutions, insufficient transaction verification processes, and inadequate access controls over approval devices.

The circular provides examples of good practices along with the SFC's expected minimum standards that VATP operators must meet, covering senior management responsibilities, client cold wallet infrastructure and operation, use of third-party wallet solutions, and real-time threat monitoring amongst others. The SFC has indicated that, going forward, these standards will also form the core expectations for virtual asset custodians.

The requirements set out in the circular take immediate effect.

HKMA and SFC issue joint statement on stablecoin-related market movements

The Hong Kong Monetary Authority (HKMA) and the SFC have issued a [joint statement](#) on recent market movements in relation to stablecoins.

The HKMA and the SFC have noted recent abrupt market movements linked to stablecoins which appear to be triggered by corporate announcements, news reports, social media posts or speculations regarding plans to apply for a stablecoin issuer licence, engage in related activities or explore the feasibility of such initiatives in Hong Kong.

The HKMA has reiterated that it adopts a robust and prudent approach with a reasonably high bar when considering applications for a stablecoin issuer licence. It has also emphasised that an indication of interest or application for a stablecoin licence, and its communication with the interested entities are just part of the licensing process the granting of licence will be determined by the fulfilment of the licensing criteria.

Given the significant uncertainties surrounding preliminary plans or applications, the HKMA and SFC note that recent abrupt market movements, often driven by speculation or excitement, underscore the need to stay vigilant

as volatility in share prices can lead to irrational decisions and expose investors to undue risks.

The HKMA and the SFC urge the public to exercise caution, conduct thorough research, and refrain from making irrational investment decisions based solely on market hype or price momentum. They have also advised the public to remember that well-considered and informed decision-making is essential to mitigate risks in times of heightened volatility. Moreover, market participants are reminded to exercise responsibility in public communications, and refrain from making statements that could mislead investors or create unrealistic expectations.

To safeguard market integrity and protect investors, the SFC's dedicated market surveillance team will closely monitor trading activities in Hong Kong and take stringent actions against any manipulative or deceptive practices that could compromise the integrity of the market.

HKMA encourages banking sector to prepare early for cash equity market accelerated settlement

The HKMA has issued a [circular](#) to encourage authorised institutions (AIs) to make early preparations for an accelerated settlement cycle for the Hong Kong cash equity market.

On 16 July 2025, Hong Kong Exchanges and Clearing Limited (HKEX) published a discussion paper entitled 'Accelerated Settlement for the Hong Kong Cash Market' to stimulate a market-wide discussion and build consensus with industry participants on how and when to move from the current T+2 settlement cycle to a shorter cycle, specifically T+1, for the Hong Kong cash equity market.

The HKMA advises AIs carefully to consider how accelerated settlement may impact their business activities and relevant operations, liquidity and funding arrangements, and provision of services and support for their clients, particularly given the significant participation of international investors in the Hong Kong equity market. Where necessary, AIs should allocate sufficient resources for enhancing their operations, systems and infrastructure, and engage with their service providers and system vendors to prepare for the shorter settlement cycle. To facilitate a smooth and orderly transition, AIs are also expected to work closely with the HKEX and other market participants during the process, such as taking part actively in industry-wide testing.

The HKMA has indicated that it will continue to monitor developments and may provide further guidance to AIs in support of their transition to the T+1 settlement cycle.

RECENT CLIFFORD CHANCE BRIEFINGS

From equivalence to recognition – the new UK approach to non-UK regulatory regimes (update)

HM Treasury has confirmed its new approach to designating countries and territories outside the UK for more favourable treatment under domestic regulatory regimes. The new approach allows HM Treasury to designate overseas jurisdictions where this is compatible with high-level regulatory objectives, such as the objective of facilitating UK competitiveness, without

requiring the Treasury to determine whether the law and practice in the overseas jurisdiction is equivalent to that in the UK.

This briefing updates our May 2025 briefing on this subject to reflect HM Treasury's July 2025 guidance document on the new approach to overseas recognition regimes and other related developments.

<https://www.cliffordchance.com/briefings/2025/08/from-equivalence-to-recognition--the-new-uk-approach-to-non-uk-r.html>

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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