

INTERNATIONAL REGULATORY UPDATE 28 JULY – 1 AUGUST 2025

- European Green Bonds: Delegated Regulations and guidelines published in Official Journal
- EU Commission adopts recommendation on voluntary sustainability reporting standard for SMEs
- EBA consults on harmonised reporting for third-country branches
- RTS on extraordinary circumstances for continuing use of internal models published in Official Journal
- ECB publishes revised guide to internal models
- Financial Policy Committee finalises review of O-SII buffer framework and PRA reissues 2024 buffer rates
- BoE consults on extending settlement hours
- PRA consults on restatement of CRR Definitions in PRA Rulebook
- PRA publishes discussion paper on IRB approach for residential mortgages
- PRA extends consultation period for Pillar 2A review
- Spanish Ministry of Finance consults on Draft Royal Decree implementing DAC 8 and establishing due diligence, registration and tax reporting obligations for certain cryptoasset service providers and operators
- HKEX to launch Issuer Access Platform to enhance issuer communication and market transparency
- HKMA publishes documents for implementation of stablecoin issuers regulatory regime
- MAS consults on proposed amendments to regulatory framework for large exposures of Singapore-incorporated banks and merchant banks
- Recent Clifford Chance briefings: Buy-Side and Sell-Side Regulatory Horizon Scanners, and more. **Follow this link to the briefings section.**

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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

European Green Bonds: Delegated Regulations and guidelines published in Official Journal

The following Delegated Regulations and EU Commission guidelines under the European Green Bonds Regulation (EU) 2023/2631 have been published in the Official Journal:

- [Commission Delegated Regulation \(EU\) 2025/753](#) establishing the content, methodologies, and presentation of the information to be voluntarily disclosed by issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds in the templates for periodic post-issuance disclosures;
- [Commission Delegated Regulation \(EU\) 2025/754](#) specifying rules of procedure for the exercise of the power to impose fines or periodic penalty payments by the European Securities Markets Authority (ESMA) on external reviewers; and
- [Commission Delegated Regulation \(EU\) 2025/755](#) specifying the type of fees to be charged by ESMA to external reviewers of European Green Bonds, the matters in respect of which fees are due, the amount of the fees, and the manner in which those fees are to be paid; and
- Commission Communication C/2025/2277 establishing [guidelines for pre-issuance disclosure templates](#) for issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds.

The three Delegated Regulations will enter into force on 14 August 2025.

EU Commission adopts recommendation on voluntary sustainability reporting standard for SMEs

The EU Commission has adopted a [recommendation on voluntary sustainability reporting](#) by small and medium-sized companies (SMEs). The recommendation presents a voluntary standard that is intended to make it easier for SMEs that are not covered by the Corporate Sustainability Reporting Directive (CSRD) to respond to specific requests for sustainability information from large financial institutions and companies.

The voluntary standard for SMEs (VSME) was developed by the European Financial Reporting Advisory Group (EFRAG). The Commission encourages large companies and financial institutions that seek sustainability information from SMEs to base their requests on the voluntary standard as far as possible. SMEs may also wish to voluntarily report sustainability information to improve their access to sustainable finance and better understand and monitor their own sustainability performance.

The recommendation is an intermediary solution until the Commission adopts its delegated act on a voluntary reporting standard for companies with up to 1,000 employees under the Omnibus I simplification package, which is currently proceeding through the EU legislative process. The timing of adoption will therefore depend on the pace and conclusion of negotiations between the EU Parliament and Council on the Omnibus I proposal. The future voluntary reporting standard will also act as a 'value-chain cap' to protect SMEs and other companies not subject to mandatory reporting under the CSRD from excessive information requests from their value chain partners.

EBA consults on harmonised reporting for third-country branches

The European Banking Authority (EBA) has launched a [public consultation](#) on its draft implementing technical standards (ITS) for the supervisory reporting of third-country branches under the Capital Requirements Directive (CRD4). The draft ITS are intended to establish uniform formats, definitions, and reporting frequencies for third-country branches across the EU, as well as enhancing supervisory oversight.

Comments are due by 31 October 2025.

RTS on extraordinary circumstances for continuing use of internal models published in Official Journal

[Commission Delegated Regulation \(EU\) 2025/789](#) setting out regulatory technical standards (RTS) on the conditions and indicators for determining whether extraordinary circumstances have occurred under Articles 325az(5) and 325bf(6) of the Capital Requirements Regulation (CRR) has been published in the Official Journal.

Under the CRR, competent authorities may permit institutions to derogate from certain requirements for the use of internal models in accordance with the Fundamental Review of the Trading Book (FRTB), or apply a softer version of those requirements, under extraordinary circumstances. The European Banking Authority (EBA) is required to publish an opinion which determines the occurrence of these extraordinary circumstances. The RTS specify the conditions and indicators that it shall use to determine whether extraordinary circumstances have occurred.

The Delegated Regulation will enter into force on 21 August 2025.

ECB publishes revised guide to internal models

The European Central Bank (ECB) has published its revised [guide to internal models](#), which incorporates updates to the regulatory framework and builds on the experience the ECB has gained over the years of supervising internal models used by banks for credit, market and counterparty credit risk.

The main changes in the revised guide relate to:

- machine learning – the guide sets out expectations for using machine learning in internal models and seeks to ensure that models using these techniques are adequately explainable and model complexity is justified by performance;
- credit risk – the guide includes updates on roll-out and permanent partial use to align with CRR3 requirements, refined expectations on internal validation and audit per the EBA's internal ratings-based handbook and clarified responsibilities of senior management and the management body for ECB internal model application readiness. It refines expectations on default definitions and credit risk parameter estimation, particularly for probability of default (PD) and loss given default (LDG) models;
- market risk – the guide outlines supervisory expectations for market risk models under CRR2 and CRR3, reflecting the EU Commission's delayed implementation of legislation on the new Basel standards – first to the beginning of 2026, then a proposed further extension to 2027 pending scrutiny by the EU Parliament and Council; and

- counterparty credit risk – the guide provides more detail on how to model the risks of trades with partners, changes in exposure and updates on maturity in line with CRR3.

Financial Policy Committee finalises review of O-SII buffer framework and PRA reissues 2024 buffer rates

The Bank of England (BoE)'s Financial Policy Committee (FPC) has published the [results](#) of its March 2025 consultation on proposals to revise the buffer framework for other systemically important institutions (O-SIIs).

In particular, the consultation proposed to:

- index the O-SII buffer thresholds based on the 20% cumulative growth in nominal GDP between 2019 and 2023; and
- assess the thresholds as part of the FPC's regular review of the framework in the future and update them in line with nominal GDP growth, as appropriate.

As a result of the responses received, the FPC has made one change to the indexation period and finalised the other aspects of the policy as proposed. A longer indexation period – from 2019 to 2024 – will be used to determine O-SII buffer rates in the future, starting with the O-SII buffer rates set in 2025. This means that O-SII buffer rates will now increase by 27% instead of the proposed 20%.

Changes to the O-SII buffer framework will come into effect immediately.

The Prudential Regulation Authority (PRA) has [reissued](#) the 2024 O-SII buffer rates for ring-fenced banks and large building societies to reflect the FPC's updated O-SII buffer framework.

BoE consults on extending settlement hours

The BoE has published [proposals](#) to extend RT2 and CHAPS settlement hours.

According to the BoE, RT2, which was introduced in April 2025, was designed with the capability to operate near 24/7. The paper sets out the BoE's proposals for a phase 1 extension of settlement times with a view to move near 24/7 settlement around 2030. Specifically, phase 1 involves CHAPS opening for settlement from 1.30am on existing settlement days.

Comments are due by 21 October 2025. The BoE plans to consult on future phases in 2026.

PRA consults on restatement of CRR Definitions in PRA Rulebook

The PRA has published a consultation paper ([CP19/25](#)) setting out its plans to restate definitions set out in the CRR in the PRA Rulebook.

The proposals follow HM Treasury's plans to revoke the remaining provisions of the CRR, and restate those that are necessary for the effective operational of the regulatory perimeter.

CP19/25 sets out the proposed PRA Rulebook Glossary definitions that would replace definitions in Articles 4, 4A, 4B, and 5 of the CRR for the purposes of the PRA Rulebook. Among other things, the PRA is proposing to:

- expressly define certain terms in the PRA Rulebook Glossary that are currently implicitly defined in other provisions of the CRR;
- make consequential amendments across the PRA Rulebook that are related to the transfer of CRR definitions into the PRA Rulebook Glossary; and
- restate the vast majority of the CRR definitions in the PRA Rulebook without changes in substance but make targeted improvements to enhance the clarity of the definitions, with no material change to policy.

Comments are due by 30 October 2025.

PRA publishes discussion paper on IRB approach for residential mortgages

The PRA has published a [discussion paper](#) on options that affects how firms can determine capital requirements for residential mortgage loans under the internal ratings based (IRB) approach.

The paper sets out possible options designed to make it easier for mid-sized firms to scale-up and compete in the residential mortgage market. It looks at the two components that firms must estimate to obtain IRB permission: loss given default (LGD) and probability of default (POD).

The PRA is considering a 'foundation IRB approach' to LGD, which would allow firms to use PRA-prescribed values for LGD instead of estimating their own. This is intended to reduce the amount of modelling, time and resourcing required to obtain IRB permission. The PRA is still considering questions around which firms the approach should be available to, whether it should differentiate between buy-to-let and owner-occupied mortgages, and whether it should look beyond residential mortgages to other retail exposures.

The PRA intends for firms to still model POD, though it is considering amendments to address some challenges faced by firms when estimating it.

The PRA is seeking an open discussion on the costs and benefits of each option, with a view to taking forward and consulting on the best, if any.

Comments are due by 31 October 2025.

PRA extends consultation period for Pillar 2A review

The PRA has [extended](#) the consultation period for its proposed updates to Pillar 2A methodologies and guidance.

The consultation period was originally due to close on 5 September 2025. Following respondent feedback and other on-going consultations closing in early September, the PRA has extended the deadline for comments to 30 September 2025.

The PRA has also amended the proposals so that the implementation date for the changes to pension obligation risk and market risk and counterparty credit risk would be 1 July 2026, rather than 2 March 2026. The implementation date for the remaining proposals in the consultation paper concerning credit risk and operational risk would continue to be aligned with the date of the

PRA's implementation of the Basel 3.1 standards, scheduled for 1 January 2027, as initially proposed.

Spanish Ministry of Finance consults on Draft Royal Decree implementing DAC 8 and establishing due diligence, registration and tax reporting obligations for certain cryptoasset service providers and operators

The Spanish Ministry of Finance has launched a [public consultation](#) on a Draft Royal Decree developing the due diligence rules and reporting obligations for certain cryptoasset service providers, and amending certain Royal Decrees, including Royal Decree 1065/2007 of 27 July, Royal Decree 1021/2015 of 13 November and Royal Decree 939/2005 of 29 July.

The draft Royal Decree is intended to:

- transpose Directive (EU) 2023/2226 (DAC 8) into Spanish law, developing regulatory obligations on information and due diligence on cryptoassets, e-money, and central bank digital currencies, including the regulation of procedures for the identification and verification of the tax residence of cryptoasset users and the establishment of requirements for the annual and aggregated reporting of transactions and balances, including those carried out by non-resident users;
- introduce a specific registry for non-MiCA operators;
- establish the procedure for the seizure of cryptoassets within the framework of tax collection, in accordance with the new legal provisions; and
- redefine and harmonise the concepts of cryptoasset, reportable transactions, and subject entities, in line with OECD standards and EU regulations, ensuring consistency, certainty and transparency with the aim of strengthening international mutual assistance in tax matters.

Comments on the preliminary draft are due by 16 September 2025.

HKEX to launch Issuer Access Platform to enhance issuer communication and market transparency

The Hong Kong Exchanges and Clearing Limited (HKEX) has [announced](#) the introduction of the HKEX Issuer Access Platform (HKEX IAP). Upon its official launch in 2026, HKEX IAP will become the primary communication channel between listed issuers and the HKEX. Issuers and their advisers will submit and publish regulatory announcements through HKEX IAP, as well as interact with the HKEX's Listing Division on regulatory matters in a secure manner.

The HKEX is planning to release a trial version of the platform in the second half of 2025, allowing users to familiarise themselves with its functionalities. Onboarding and user registration guidelines will be published in late 2025, at the earliest. Listed issuers will be able to start using the platform for document submission and communication with the HKEX in phases, beginning in the second quarter of 2026.

HKMA publishes documents for implementation of stablecoin issuers regulatory regime

The Hong Kong Monetary Authority (HKMA) has published the following documents for the implementation of the regulatory regime for stablecoin issuers, which will come into effect on 1 August 2025:

- the [consultation conclusions](#) on the Guideline on Supervision of Licensed Stablecoin Issuers and the finalised [guideline](#);
- the [consultation conclusions](#) on the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Stablecoin Issuers) and the finalised [guideline](#);
- an [explanatory note](#) on licensing of stablecoin issuers which covers various aspects of the licensing regime and application process; and
- an [explanatory note](#) on transitional provisions for pre-existing stablecoin issuers.

The two sets of guidelines were also published in the Gazette on 1 August 2025. As the regulatory regime comes into effect, the HKMA has advised market participants to observe the Stablecoins Ordinance and the relevant guidelines.

The HKMA has reminded market participants to exercise due caution in their public communications, and to refrain from making statements that could be misinterpreted or create unrealistic expectations regarding the licensing application and process. Among other things, the HKMA has emphasised that it is an offence under the Stablecoins Ordinance to falsely claim oneself as a licensee or an applicant.

MAS consults on proposed amendments to regulatory framework for large exposures of Singapore-incorporated banks and merchant banks

The Monetary Authority of Singapore (MAS) has launched a [consultation](#) on proposed amendments to the regulatory framework for large exposures of Singapore-incorporated banks and merchant banks.

Under the consultation, in relation to Singapore-incorporated merchant banks, the MAS proposes an updated regulatory framework that sets out a limit for exposures to any counterparty or group of counterparties (large exposures limit). The objective is to ensure that concentration risk in merchant banks is adequately measured and controlled. The proposed regulatory framework will replace the existing framework under the MAS Notice 1012 on Credit Facilities to a Counterparty or Group of Counterparties for Singapore-incorporated merchant banks.

Amongst other things, the MAS is seeking comments on the:

- proposal to apply the large exposures limit to: (a) all types of exposures of a merchant bank, and (b) exposures of a merchant bank denominated in any currency;
- proposal: (a) to tighten the large exposures limit from 30% of capital funds to 25% of Tier 1 capital, and (b) of the actions to be taken by a merchant bank in the event of breaches to the large exposure limit;

- the proposal to subject merchant banks' exposures to banks and merchant banks (except for intraday interbank exposures) to the large exposures limit;
- proposal for merchant banks to set internal limits for exposures to systemically important financial institutions, including exposures to domestic systemically important banks designated by the MAS;
- proposed scope of exempt exposures in relation to a merchant bank's related corporations;
- proposal to require a merchant bank to assess possible economically dependent counterparties in cases where the exposures to a counterparty exceeds 5% of Tier 1 capital;
- disaggregation conditions for counterparties in a connected counterparty group;
- removal of the exemption for any loan or advance made against telegraphic transfers, and any facility granted against any letter of credit or any bill or guarantee or any document in respect of imports into or exports from Singapore;
- proposed: (a) scope of exposures to sovereign entities and public sector entities exempted from the large exposures limit, and (b) exposure measurement approach;
- proposal for the recognition of credit risk mitigation for the measurement of exposures;
- proposed treatment of exposures to collective investment schemes, securitisation and other structures; and
- proposed scope of reporting requirements and schedule as set out in Annex D of the consultation paper.

To provide merchant banks with sufficient time to prepare for compliance with the large exposures limit under the proposed framework, the MAS intends for the framework to take effect from 1 January 2027, or at least six months from the date of issuance of the final rules, whichever is later. The MAS also proposes that merchant banks requiring additional time to adjust their exposures to specific counterparties or groups of connected counterparties may submit a written request, with justifications and a plan, to work towards compliance with the proposed large exposures limit within a period of up to one year from the date of implementation.

Additionally, the MAS proposes amendments to its Notice 656 on Exposures to Single Counterparty Groups for Banks Incorporated in Singapore. The proposed amendments refine the scope of exposures to related corporations that are holding companies, banks and merchant banks which are currently excluded from the large exposures limit. The objective is to more adequately address contagion risk arising from exposures to related counterparties which are not subject to minimum prudential standards, while taking into consideration the operating structures of Singapore-incorporated banks.

Comments on the consultation are due by 26 August 2025.

RECENT CLIFFORD CHANCE BRIEFINGS

Clifford Chance Buy-Side Regulatory Horizon Scanner Q3 2025

Clifford Chance has prepared a buy-side regulatory [horizon scanner](#) providing a high-level overview of key ongoing and expected EU and UK regulatory developments relevant to investment managers.

The tracker identifies and summarises key legislative and non-legislative developments that are likely to have an impact on investment managers providing services in the EU and UK. Developments are grouped firstly according to whether they are EU or UK developments and, within those categories, into the following three topics:

- asset management developments;
- ESG developments; and
- cross-sectoral developments.

The horizon scanner also sets out projected timelines for the finalisation and implementation of the relevant developments, covering approximately the next two years. Further background information and commentary on many of these developments, as well as an overview of the EU legislative process, is available on the [Financial Markets Toolkit](#).

This horizon scanner has been prepared as of July 2025. It does not constitute legal advice and is not intended to provide an exhaustive list of all provisions or requirements applicable to firms during this period.

<https://www.cliffordchance.com/briefings/2025/07/buy-side-regulatory-horizon-scanner-q3-2025.html>

Clifford Chance Sell Side Horizon Scanner Q3 2025

Clifford Chance has prepared a sell-side regulatory [horizon scanner](#) providing a high-level overview of key ongoing and expected EU and UK regulatory developments relevant to banks and investment firms.

The tracker identifies and summarises key legislative and non-legislative developments that are likely to have an impact on banks and investment firms providing services in the EU and UK. Developments are grouped firstly according to whether they are EU or UK developments and, within those categories, into the following four topics:

- markets related developments;
- ESG developments;
- prudential developments; and
- cross-sector developments.

The horizon scanner also sets out projected timelines for the finalisation and implementation of the relevant developments, covering approximately the next 18 months to 2 years. Further background information and commentary on many of these developments, as well as an overview of the EU legislative process, is available on the [Financial Markets Toolkit](#).

This horizon scanner has been prepared as of July 2025. It does not constitute legal advice and is not intended to provide an exhaustive list of all provisions or requirements applicable to such firms during this period.

<https://www.cliffordchance.com/briefings/2025/07/sell-side-horizon-scanner-q3-2025.html>

Debt securities under the new UK prospectus and POATR regime – The final picture

The FCA's July 2025 Policy Statement (PS25/9) provides the final piece for the new UK public offers and admission to trading regime (UK POATR regime).

With a scheduled start date of 19 January 2026 (and some prospectus grandfathering), there is some time to prepare. But, after more than two years of debate and consultation, what were the FCA's conclusions? What are the headline issues you need to pay attention to now? And how do you navigate through?

This briefing paper highlights key areas. It builds on our earlier briefings in [April 2024](#), [August 2024](#) and [February 2025](#). The briefing also provides, as Appendices:

- blacklines of the four current UK Prospectus Regulation debt Annexes against the new debt Annexes in the FCA rules; and
- an update of our February 2025 flowchart illustrating the new UK landscape.

<https://www.cliffordchance.com/briefings/2025/07/debt-securities-under-the-new-uk-prospectus-and-poatr-regime---t.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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Clifford Chance, 10 Upper Bank Street,
London, E14 5JJ

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