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### **CRR3: EBA publishes final draft RTS on prudential treatment of cryptoasset exposures**

The European Banking Authority (EBA) has published its [final draft](#) regulatory technical standards (RTS) on the calculation and aggregation of crypto exposure values under Article 501d(5) of the Capital Requirements Regulation (CRR3), which mandates the EBA to develop draft RTS to specify the technical elements necessary for institutions to calculate their own funds requirements.

The RTS provide detailed methodologies for determining own funds requirements for credit risk, counterparty credit risk, market risk, and credit valuation adjustment risk across various cryptoasset categories, including asset-referenced tokens (ARTs) and unbacked cryptoassets. They address netting, position aggregation, hedge recognition criteria, and exposure value calculations.

The RTS are intended to ensure a harmonised treatment of cryptoasset exposures until a permanent prudential framework is implemented.

### **CRR3: EBA publishes final draft RTS on operational risk losses**

The EBA has published three [final draft](#) RTS under CRR3, providing a taxonomy for operational risk losses, clarifying exemptions for annual loss calculations, and outlining data adjustments that banks must perform for mergers and acquisitions.

In particular:

- the RTS on establishing a taxonomy for operational risk provide a list of risk event types, categories and attributes that institutions must use when recording operational risk losses, in line with the current framework and international standards;
- the RTS on the conditions under which it would be unduly burdensome for an institution to calculate the annual operational risk loss allow for a temporary waiver from this requirement in circumstances where it would be unduly burdensome for the institution; and
- the RTS on the adjustments to an institution's loss data set provide guidance on adjusting the loss data set following mergers and acquisitions, including currency, risk taxonomy, and methods for estimating annual operational risk losses when historical data is missing.

### **CRR3: EBA publishes final draft RTS on equivalent mechanism for unfinished property**

The EBA has published its [final draft](#) RTS on the equivalent mechanism for unfinished property under Article 124(12) of CRR3.

Article 124 of the CRR contains requirements for the assignment of risk weights for exposures secured by mortgages on immovable property. The EBA is mandated under Article 124(14) to specify what constitutes an

equivalent legal mechanism to ensure that the property under construction is completed within a reasonable timeframe.

The draft RTS cover the:

- conditions that a protection provider must meet to be able to provide a completion guarantee that constitutes an equivalent legal mechanism; and
- requirements that the completion guarantee itself must meet to constitute an equivalent legal mechanism.

### **CRD6: EBA consults on revisions to guidelines on internal governance**

The EBA has launched a [consultation](#) on revisions to its guidelines on internal governance under the Capital Requirements Directive (CRD6).

The proposed amendments relate to issues including:

- expanding the scope of the guidelines to include third-country branches and to reflect the mandate in new Article 48g(9) of CRD6 on third-country branches' internal governance arrangements;
- revisions to Article 88(3) specifying that, for each member of the management body, senior manager and key function holder, there must be a documented statement of role and duties, as well as mapping of duties of the members of the management body, senior managers and key function holders;
- revisions intended to reinforce equality among genders, diversity and inclusion, with a view to creating a gender-balanced pool of candidates for positions within the management body; and
- ensuring alignment with the Digital Operational Resilience Act (DORA) and expanding the scope of the guidelines to cover network and information systems set up and managed in accordance with DORA.

Comments are due by 7 November 2025.

### **BRRD: EBA consults on amending RTS on resolution plans and resolution colleges**

The EBA has launched a [consultation](#) on amendments to the RTS on resolution plans and group resolution plans, the assessment of resolvability, and the operational functioning of resolution colleges under the Bank Recovery and Resolution Directive (BRRD).

Commission Delegated Regulation (EU) 2016/1075 sets out RTS supplementing the BRRD on a number of issues, including resolution plans, resolvability assessment and resolution colleges. The EBA is proposing to make revisions to these RTS intended to simplify their requirements and to reflect lessons learned concerning resolution planning drawn from practical experience and recent crisis scenarios.

The EBA is proposing to replace chapters II and VI of Commission Delegated Regulation (EU) 2016/1075 to introduce new provisions relating to:

- simplifying and streamlining resolution plans, making resolution plans more operational to improve usability and implementation readiness, and increasing optionality to improve flexibility of resolution planning;

- aligning the provisions on resolvability assessment with established international best practices and structured around the seven core dimensions deemed essential to the assessment of institutions' resolvability; and
- simplifying processes, improving cooperation and information exchanging among authorities, and improving effective coordination on the implementation of resolution schemes, to increase the efficiency and effectiveness of the functioning of resolution colleges in the planning phase and in execution.

Comments are due by 5 November 2025.

### **EBA issues no-action letter on application of ESG disclosure requirements**

The EBA has published a [no-action letter](#) on the application of the ESG Pillar 3 disclosure requirements under the EBA disclosure implementing technical standards (ITS).

The no-action letter is intended to address legal and operational uncertainties linked to the evolving ESG disclosure framework, in light of the proposed amendments under the EU Commission's Omnibus legislative package on sustainability reporting.

The no-action letter formalises the guidance already provided in the EBA's consultation paper published in May 2025 on the amending ITS of the EBA Pillar 3 disclosure framework. It includes recommendations to competent authorities not to prioritise the enforcement of:

- the disclosure of certain ESG disclosure templates (notably EU 6 to EU 10, and specific columns in templates 1 and 4) of the Commission's Implementing Regulation (EU) 2024/3172 for large institutions with listed securities;
- the collection of templates EU 6 to 10, and specific columns in templates 1 and 4 of the EBA Decision of 6 July 2023, for large institutions with listed securities; and
- the disclosure of the corresponding ESG templates under the Commission's Implementing Regulation (EU) 2024/3172 for all other institutions recently brought under the scope of Article 449a of the CRR.

The EBA has also published an updated version of the EBA ESG risk dashboard which will be adjusted in the next editions in line with the no-action letter, and the recommendations to authorities not to prioritise the enforcement of the disclosure of those specific templates and information.

### **SRB publishes operational guidance for banks on resolvability self-assessment**

The Single Resolution Board (SRB) has published its [operational guidance](#) for banks on resolvability self-assessments, which is intended to provide institutions under its direct remit with a structured and standardised approach to evaluating their compliance with the SRB's expectations for banks published in 2020 and set out the capabilities required for the effective execution of a resolution action.

The guidance introduces a self-assessment report designed to promote comparability across the sector and support a level playing field by supporting the SRB's resolution planning, informing the work of internal resolution teams, and guiding the calibration of the multi-annual testing programme. The framework is aligned with the seven resolvability dimensions in the expectations for banks.

The first self-assessment prepared in line with the new guidance should reflect the resolvability position as of 31 December 2025 and is expected to be submitted by banks no later than 31 January 2026.

### **FCA to consult on motor finance compensation scheme**

The Financial Conduct Authority (FCA) has [announced plans](#) to consult on a proposed compensation scheme for motor finance customers, following the Supreme Court's ruling in *Hopcraft & Anr v Close Brothers*, in which it was found that, in certain circumstances, firms may have acted unfairly and unlawfully in their disclosure of commission payments between lenders and car dealers.

The FCA's proposed compensation scheme intends to provide clarity and certainty to consumers, firms and investors and ensure the integrity of the motor finance market. The FCA will consult on draft rules outlining how lenders should assess whether compensation is due and determine the amount. It is currently estimated that most individuals eligible for compensation will receive less than GBP 950 per agreement, with the total cost of the scheme expected to be between GBP nine and 18 billion.

The FCA plans to launch the consultation by early October 2025. If implemented, first payments are expected in 2026.

### **FCA sets out changes to safeguarding regime for payments and e-money firms**

The FCA has issued a policy statement ([PS25/12](#)) on changes to the safeguarding regime for payments and e-money firms, which summarises the feedback to its September 2024 consultation paper (CP24/20) and sets out final rules and guidance on the 'Supplementary Regime' intended to improve compliance with the existing safeguarding requirements set out in the Electronic Money Regulations (EMRs) and Payment Services Regulations (PSRs).

Amongst other things, the new rules require:

- annual audits by qualified auditors;
- monthly reporting for payment firms;
- firms to conduct daily checks to make sure the right amount of money is being safeguarded to protect customers; and
- better planning if firms fail so customers receive their money back sooner.

The FCA has also published the amendments it intends to make to its approach document on payment services and electronic money when the final rules come into effect.

The Supplementary Regime, and related amendments to the approach document, will come into force on 7 May 2026.

## **FCA issues feedback statement on design of future entity for UK open banking**

The FCA has published a feedback statement ([FS25/4](#)) summarising and responding to the feedback to the Joint Regulatory Oversight Committee (JROC)'s April 2024 consultation on the design of the future open banking entity.

FS25/4 sets out the FCA's expectations for the role of the future entity, how it will sit within the open banking ecosystem, and the next steps for establishing the future entity.

The FCA now intends to work with participants across the sector to establish the future entity and will hold a series of workshops over the summer and into autumn. It expects to provide more details on how the future entity will be established by the end of 2025.

## **UK EMIR: BoE and FCA issue policy statement on amendments to trade repository reporting requirements**

The Bank of England (BoE) and the FCA have published a [policy statement](#) providing a summary of the feedback they received to their June 2025 consultation on amendments to the UK EMIR trade repository reporting requirements.

The regulators have decided to proceed with the proposals to:

- add 'execution agent' as a new optional field in Table 3 of the annexes of the EMIR reporting technical standards, to align with the addition of the same option in other technical standards; and
- make a minor amendment to correct a cross-referencing error.

The amendments will come into force on 26 January 2026.

## **UK EMIR: BoE and FCA consult on additional guidance on derivative reporting requirements**

The BoE and FCA have launched a [consultation](#) on additional draft guidance for counterparties reporting under the revised UK EMIR Article 9 reporting requirements. The draft guidance takes the form of two additional draft Q&As which address:

- the circumstances in which it is acceptable to report with a technical International Securities Identification Number (ISIN); and
- how foreign exchange (FX) swaps should be reported.

Comments are due by 12 September 2025.

## **BaFin consults on new circular on minimum requirements for risk management for investment firms**

The German Federal Financial Supervisory Authority (BaFin) has launched a [consultation](#) on its draft new circular on the Minimum Requirements for Risk Management for Investment Firms (Wpl MaRisk).

In the draft Wpl MaRisk BaFin clarifies the requirements under the Investment Firm Act (Wertpapierinstitutsgesetz - WpIG) and the standards it will use to assess compliance with the WpIG. The WpIG regulates small and medium-sized investment firms (Wertpapierinstitute). The draft Wpl MaRisk



specifically considers the business features of such investment firms, which must currently comply with the circular on the Minimum Requirements for Risk Management (MaRisk (BA)), which is customised to the business features of credit institutions and financial services institutions under the Banking Act (KWG).

The draft Wpl MaRisk is intended to provide a flexible and practical framework for small and medium-sized investment firms to structure their business organisation in accordance with the WpIG. The new circular follows the MaRisk (BA) in structure and substance, ensuring continuity in supervisory practices where appropriate.

Comments are due by 19 September 2025.

### **Polish Ministry of Finance publishes amendments to Banking Law, Act on Insurance and Reinsurance Activity and certain other acts**

The Polish Ministry of Finance has published [amendments](#) to the Banking Law, the Act on Insurance and Reinsurance Activity and certain other acts. The amendments envisaged in the draft are intended to, among other things:

- enable the merger of a bank with a non-bank joint-stock company belonging to the same group as the bank;
- enable the division of an insurance company and a reinsurance company operating in the form of a joint-stock company and defining the rules for such a division; and
- regulate the transfer of the entry to the register of agents in the event of a division of an insurance company.

The draft has been sent for public consultation.

### **HKEX concludes consultation on IPO price discovery and open market requirements and further consults on ongoing public float proposals**

The Stock Exchange of Hong Kong Limited (SEHK), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEX), has published the [conclusions](#) to its consultation paper on proposals to optimise initial public offer (IPO) price discovery and open market requirements, and launched a further consultation on ongoing public float proposals.

The SEHK notes that most of the proposals from its consultation on IPO price discovery and open market requirements will be adopted. Having considered the market feedback, the key modifications to the proposals include the following:

- tiered initial public float thresholds: the SEHK has amended its proposed tiered initial public float thresholds to remove 'Tier D', as it may be more appropriate in those cases to assess the issuer's public float requirements on a case-by-case basis;
- initial free float requirements: for People's Republic of China issuers with other listed shares (e.g. A+H issuers), the SEHK will revise the proposed free float percentage threshold from 10% of the total number of H shares to 5% of the total number of issued shares in the class to which H shares

belong. The other elements of the proposed free float threshold for such issuers will remain unchanged;

- regulatory lock-up on cornerstone investment: the SEHK will retain the current six-month lock-up requirement on cornerstone investment and not implement a staggered lock-up;
- minimum bookbuilding placing tranche: an issuer will be required to allocate at least 40% of its shares initially on offer in an IPO to its bookbuilding placing tranche, rather than the 50% proposed;
- allocation to the public subscription tranche: under the initial proposals, a new applicant is allowed to adopt either Mechanism A or Mechanism B (without clawback) as its IPO offering mechanism. The SEHK will modify its proposal to increase the highest allocation to the public subscription tranche, if the clawback is triggered under Mechanism A, to 35% (from the proposed 20%); and
- pricing flexibility mechanism: the SEHK will not adopt the proposal to allow issuers to set the final IPO price up to 10% above the indicative offer price or the top of the offer price range, after prospectus publication.

The new requirements will come into effect on 4 August 2025 and apply to all issuers and all new applicants with listing documents published on or after that date. In response to market feedback on the appropriate ongoing public float requirements, the SEHK has also launched a further consultation on detailed proposals on those requirements. Prior to the implementation of the new ongoing public float requirements (if adopted), existing ongoing public float requirements will continue to apply to all issuers. Comments on the further consultation are due by 1 October 2025.

## **MAS responds to consultation feedback on roadmap to sunset corporate cheques and transition plan for retail cheques**

The Monetary Authority of Singapore (MAS) has published its [responses](#) to the feedback it received on its December 2024 consultation on the roadmap to sunset corporate cheques and transition plan for retail cheques.

Amongst other things, the MAS has clarified the following in its response:

- with respect to communications and public education to ease transition away from corporate cheques: (i) the MAS agrees that a multi-channel, multi-language communication approach is needed. The public communications campaign will comprise two phases: (a) the first phase (July - December 2025) will seek to enhance public awareness of available payment alternatives to corporate cheques (e.g. PayNow, Fast and Secure Transfers, Inter-bank GIRO (GIRO), electronic deferred payment (EDP) and EDP+) and the use cases that each payment mode is most suited for. To ensure clarity on the use of each mode, banks will be required to develop toolkits to facilitate their communication efforts with their respective corporate and retail customers; and (b) the second phase (targeted June - December 2026) will remind users that all banks will stop processing SGD corporate cheques from 1 January 2027; and (ii) banks will be required to conduct targeted outreach efforts for sectors or user groups that may be more reliant on cheques to ensure they are well prepared for the upcoming changes;



- to enhance the current cheque user experience, the EDP and EDP+ solutions will have design features that facilitate seamless adoption for the use cases listed by respondents;
- participation in EDP and EDP+ will not be limited to the domestic systemically important banks (D-SIBs). All banks that are GIRO participants will be eligible to participate in these solutions. Participating banks will provide comprehensive implementation support, including step-by-step guidance to help customers effectively transition to these new payment solutions;
- regarding the legal treatment of EDP and alternative legal solutions: (i) the MAS affirms that an EDP or EDP+ transaction, like any other e-payment in Singapore, does not in itself create any contractual rights or relationship between the payer and payee. Where the payment is made pursuant to a contract between the transacting parties like an underlying commercial agreement, such an agreement will be governed by contract law; and (ii) banks will not be liable for disputes between payers and payees arising from EDP and EDP+ transactions. Users can point to clear transaction records and notifications received at various stages of the EDP or EDP+ transaction lifecycle, which can serve as supporting documentation for any civil proceedings;
- the MAS and ABS will provide participating banks with clear technical implementation specifications for cost-efficient cloud-based cheque truncation system (CTS Lite). Participating banks will be required to clearly communicate changes to the cheque user experience under CTS Lite to their customers well in advance of implementation;
- the MAS will work with the banking industry to improve the consumer experience during account opening and PayNow registration; and
- USD cheques will remain available to both individuals and corporates after the cessation of SGD corporate cheque processing. The MAS will work with the banking industry to engage USD cheque users to better understand their local USD payment needs and raise awareness of existing USD payment solutions, including banks' cross-border payment options that cater to both corporates and individuals within Singapore. Concurrently, the MAS is working with the financial industry to develop more cost-efficient digital solutions to facilitate local USD transfers.

## **APRA proposes changes to create simpler and more efficient bank licensing framework**

The Australian Prudential Regulation Authority (APRA) has [proposed changes](#) to its licensing framework for authorised deposit-taking institutions (ADIs) to simplify and accelerate the licensing process and better support new entrants to the banking sector.

APRA recently reviewed the ADI licensing framework to reflect the experiences of recent new entrants and ensure it remains fit for purpose in a fast-evolving operating environment. The review identified opportunities to improve the framework, particularly through increasing the efficiency of the licensing process by providing greater clarity around licensing expectations and timeframes. As a result, APRA is proposing the following changes:

- clearer licensing expectations – APRA would replace existing licensing expectations set out in guidelines with a more explicit and targeted set of

formal criteria, codifying its existing expectations and providing applicants with greater clarity on the requirements for a banking licence; and

- quicker and more transparent licensing decisions – future applicants would have twelve months from submitting their application to demonstrate they meet APRA's new licensing criteria. Following this period, APRA would target a licensing decision within three months, with all decisions made public.

APRA is also seeking feedback on the Restricted ADI pathway and whether to discontinue this pathway for future new entrants.

The proposed changes are part of APRA's broader efforts to better support competition and efficiency in the banking sector and aligns with the objectives of the Council of Financial Regulators' and Australian Competition and Consumer Commission's recent review into small and medium-sized banks.

Comments on the consultation are due by 31 October 2025.

Following feedback from stakeholders, APRA plans to consult on final proposed criteria and supporting guidance to assist applicants in meeting its licensing criteria.

## **RECENT CLIFFORD CHANCE BRIEFINGS**

### **Motor Finance Commissions – Supreme Court decision**

On 1 August 2025, the UK's Supreme Court handed down its keenly awaited judgment following its hearing, in April 2025, of the appeal from the far-reaching Court of Appeal decision in three linked cases, *Johnson and Wrench v FirstRand Bank*, and *Hopcraft v Close Brothers* [2024] EWCA Civ 1282.

This briefing paper provides our initial analysis of the Supreme Court's findings of the issues and outlines next steps.

<https://www.cliffordchance.com/briefings/2025/08/motor-finance-commissions--supreme-court-decision.html>

### **Motor Finance Commissions – Implications of the Supreme Court's decision for securitisations**

On 1 August 2025, the UK's Supreme Court handed down judgment in the linked appeals of *Johnson and Wrench v FirstRand Bank* and *Hopcraft v Close Brothers* [2024] EWCA Civ 1282, following the far-reaching Court of Appeal decision in 2024.

This briefing paper considers the judgment's implications for motor finance securitisations, other commonly securitised asset classes, and present and future securitisation transactions in general.

<https://www.cliffordchance.com/briefings/2025/08/motor-finance-commissions--implications-of-the-supreme-court-s-d.html>

### **Proposed reforms and recent statistics for the UK National Security Merger Screening Regime**

The UK Government has announced that it intends to exempt certain intra-group transactions from the mandatory filing requirements of the National Security and Investment Act 2021 (NSIA). It is also consulting on proposed changes to the definitions of 'sensitive activities' that determine whether other

transactions are notifiable, which would refine several of the existing definitions, while adding certain activities in the water sector.

Separately, the Government has published its annual report on the operation of the NSIA, providing insights into the types of transactions and investors affected by the regime.

This briefing paper discusses the proposals and the annual report.

<https://www.cliffordchance.com/briefings/2025/08/proposed-reforms-and-recent-statistics-for-the-uk-national-secr.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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