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CRR: Delegated Regulation delaying application of own funds requirements for market risk published in Official Journal

Commission Delegated Regulation (EU) 2025/1496 amending the Capital Requirements Regulation (CRR) with regard to the date of application of the own funds requirements for market risk has been published in the Official Journal.

Until 1 January 2027, institutions are expected to continue to apply the market risk framework laid down in the version of the CRR in force on 8 July 2024. From 1 January 2027, market risk requirements reflecting the Basel Committee on Banking Supervision (BCBS)'s fundamental review of the trading book (FRTB) will apply.

The Commission believes that this further postponement of the FRTB implementation is necessary in light of international developments that indicate delays to the implementation of Basel III standards in major jurisdictions, including the UK and US. Delaying the date of the implementation of the FRTB capital requirements until 1 January 2027 is intended to preserve the global level playing field for internationally active EU banks in respect to their trading activities.

The Delegated Regulation entered into force on 20 September 2025 and will apply from 1 January 2026.

MiCA: Technical standards on applications for authorisation to offer ARTs published in Official Journal

The following Level 2 measures regarding applications for authorisation to offer asset-referenced tokens (ARTs) under the Markets in Cryptoassets Regulation (MiCA) have been published in the Official Journal:

- Commission Delegated Regulation (EU) 2025/1125, which sets out regulatory technical standards (RTS) specifying the information in an application for authorisation to offer ARTs to the public or to seek their admission to trading.
- Commission Implementing Regulation (EU) 2025/1126, which lays down implementing technical standards (ITS) on the establishment of standard forms, templates and procedures for the information to be included in the application for authorisation to offer ARTs to the public and to seek their admission to trading.

The regulations will enter into force on 4 October 2025.

EBA publishes final report on amendments to ITS on MREL reporting

The European Banking Authority (EBA) has published its final report on amendments to Commission Implementing Regulation (EU) 2021/622 ITS on uniform reporting templates, instructions and methodologies for reporting on the minimum requirement for own funds and eligible liabilities (MREL) under the Bank Recovery and Resolution Directive (BRRD).

The EBA proposes to:

- replace the current annual submission of MREL decisions with biannual submissions; and
- make targeted amendments to reflect lessons learnt from the implementation of the ITS and the EBA's MREL monitoring activities, to reflect revisions to the BRRD made by the Daisy chains Directive and to better capture elements that are applied discretionarily by resolution authorities when setting MREL.

The EBA will submit the proposed amendments to the EU Commission for endorsement. It expects the amendments to apply from 31 December 2025.

ECB consults on managing legacy NPEs in less significant institutions

The European Central Bank (ECB) has launched a public consultation on a draft guideline for a harmonised supervisory approach to non-performing exposures (NPEs) held by less significant institutions (LSIs).

The draft guideline, developed with national competent authorities (NCAs), aims to address long-standing challenges in managing legacy NPEs, which remain higher and less well covered at LSIs compared with significant institutions. It sets supervisory coverage expectations for exposures originated before 26 April 2019, complementing existing EU rules for newer NPEs.

NCAs will apply the approach on a risk-based basis, with flexibility to account for bank-specific factors. Implementation will be phased in between 2025 and 2028, with reporting aligned to existing templates. The ECB expects the impact on LSIs to be manageable and sees the measure as strengthening resilience to potential adverse developments in the macroeconomic environment.

Comments are due by 27 October 2025.

FCA consults on application of existing Handbook rules to crypto firms

The Financial Conduct Authority (FCA) has published a consultation paper (CP25/25) on the proposed application of existing FCA Handbook rules to firms conducting regulated cryptoasset activities.

CP25/25 looks at how existing FCA Handbook rules will apply to future regulated cryptoasset firms, including High Level Standards such as the Senior Management Arrangements, Systems and Controls (SYSC) Sourcebook (including governance, Senior Managers and Certification Regime, financial crime and operational resilience), and Business Standards (specifically the Environmental, Social and Governance Sourcebook).

In addition, CP25/25 includes a discussion chapter on how the Consumer Duty should apply to crypto. The FCA is also seeking views on how complaints should be managed, including whether consumers should be able to refer them to the Financial Ombudsman Service.

The proposals follow HM Treasury's draft legislation published in April 2025. Comments on the consultation paper are due by 12 November 2025. Comments on the discussion chapters are due by 15 October 2025. The FCA intends to publish its final rules in 2026.

Markets in Financial Instruments (Miscellaneous Amendments) Regulations 2025 made

The Markets in Financial Instruments (Miscellaneous Amendments) Regulations 2025 (SI 2025/1020) have been made.

At Mansion House 2024, the Chancellor announced plans for further technical changes to the wholesale markets framework. This included revoking detailed firm-facing regulations within the Markets in Financial Instruments Directive Organisation Regulation (MiFID Org Reg) and replacing them in the FCA and Prudential Regulatory Authority (PRA) rulebooks.

SI 2025/1020 restates the key definitions within the MiFID Org Reg in domestic financial services legislation. A subsequent commencement SI will be made to revoke the MiFID Org Reg and bring into force this instrument. HM Treasury will do this in co-ordination with the FCA and PRA implementing rules to replace the firm-facing provisions from the MiFID Org Reg.

Central Counterparties (Transitional Provision) (Extension and Amendment) Regulations 2025 made and laid

The Central Counterparties (Transitional Provision) (Extension and Amendment) Regulations 2025 (SI 2025/1030) have been made and laid before Parliament.

The Regulations extend the temporary recognition regime (TRR) for overseas central counterparties (CCPs) by twelve months until 31 December 2027.

They also extend the transitional regime for qualifying CCPs (QCCPs) under the UK Capital Requirements Regulation (UK CRR) for an additional twelve months. The expiry date of this regime differs between individual CCPs as it is dependent on when a firm has applied for recognition in the UK. A large percentage of firms within the regime are subject to a current expiry date of 31 December 2025, which will be extended to 31 December 2026 under the new Regulations.

The Regulations will come into force on 28 November 2025.

Financial Services and Markets Act 2023 (Capital Buffers and Macro-prudential Measures) (Consequential Amendments) Regulations 2025 made

The Financial Services and Markets Act 2023 (Capital Buffers and Macro-prudential Measures) (Consequential Amendments) Regulations 2025 (SI 2025/1023) have been made.

The Regulations make technical amendments to legislation following the revocation and restatement of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 (SI 2014/894), in order to ensure that the amended legislation will continue to operate effectively.

The Regulations replace references to SI 2014/894 with references to the Capital Buffers and Macro-prudential Measures Regulations 2025 (SI 2025/653) across relevant UK and retained EU legislation including the Bank of England Act 1998, the UK European Market Infrastructure Regulation (UK EMIR) and the UK Capital Requirements Regulation (UK CRR), among others. The Regulations also revoke references to the provisions of SI 2014/894 that will no longer be accurate because they are not being restated, such as references to the global systemically important institutions (G-SII) buffer.

The Regulations come into force on 30 November 2025.

BaFin publishes guidance note on interpretation of term ‘offer to the public’ under Prospectus Regulation

The German Federal Financial Supervisory Authority (BaFin) has issued a guidance note outlining its administrative approach to interpreting the term ‘offer to the public’ under Article 2(d) of the Prospectus Regulation ((EU) 2017/1129).

Amongst other things, the guidance notice clarifies:

- who the offeror and the addressees of the communication are;
- the requirements for a communication presenting sufficient information on the terms of the offer and the securities to be offered, in accordance with Commission Delegated Regulation (EU) 2019/980; and
- when the public offer begins and when it ends.

The guidance note contains details on aspects relevant to practice, such as the overall consideration of an offer process as a coherent event. This means that the elements constituting a public offer do not necessarily all need to be present at the same time.

Spanish Ministry of Economy, Trade and Business consults on draft ministerial order amending orders on Central Credit Risk Information System and regulation and control of advertising of banking services and products

The Spanish Ministry of Economy, Trade and Business has launched a public consultation on a Draft Order amending certain Orders, including Order ECO/697/2004 of 11 March, and Order EHA/1718/2010 of 11 June.

The draft Order is intended to:

- restore the legal framework prior to Judgment 519/2025 of the Spanish Supreme Court, dated 6 May 2025, which declared void, for procedural reasons, Articles 1 and 2 of the Ministerial Order ETD/699/2020, of July 24, regulating revolving credit (which amended Order ECO/697/2004, of 11 March, on the Central Credit Risk Information System of the Bank of Spain; Order EHA/1718/2010, of 11 June, on the regulation and control of advertising of banking services and products; and Order EHA/2899/2011, of 28 October, on transparency and customer protection in banking services);
- separate data usage for supervisory purposes from data provided to reporting entities, and lowering reporting thresholds and deadlines; and
- establish a new calendar for reporting risks, with a transitional regime until 1 January 2027 for risks above EUR 3,000, and from 2 January onwards for risks above EUR 1,000.

Comments are due by 29 September 2025.

China consults on amendments to Enterprise Bankruptcy Law

The Standing Committee of the PRC National People's Congress has published a consultation draft proposing comprehensive amendments to the currently effective Enterprise Bankruptcy Law issued in 2007, with the aim of further promoting the orderly exit of market entities and fostering fair competition.

Amongst other things, the consultation draft provides for the following in the context of financial markets transactions:

- special treatment for qualified financial transactions – the consultation draft introduces a new article which expressly provides that qualified financial transactions, for which close-out netting has been lawfully adopted, are not

subject to the administrator's rescission powers. The scope of qualified financial transactions is to be prescribed by laws and administrative regulations or determined by the financial regulatory authorities of the State Council. The rescission power addressed by this article includes the insolvency administrator's right to elect between continuance or termination of outstanding contracts' performance ('cherry-picking' risk) as well as rights to revoke certain transactions that occurred within 1 year or 6 months (lookback period depending on different scenarios involved) before the bankruptcy petition is accepted by the court. The precise scope of qualified financial transactions (which could capture repos and securities lending transactions in addition to derivatives) and the interpretation of 'lawfully adopted' close-out netting mechanism remains subject to further clarification by financial regulators and/or secondary legislation;

- settlement finality – the consultation draft provides for settlement finality, stipulating that, on the day when a competent court accepts a bankruptcy petition, payment instructions already submitted to the clearing and settlement system via banks or other institutions may not be rescinded. This is expected to provide greater certainty to the market regarding the finality of settlements for trades entering the clearing and settlement phase. However, the current draft does not clearly define the scope of the covered clearing and settlement system, which would be subject to interpretation;
- bankruptcy procedures of financial institutions (FI)s – the consultation draft introduces new chapters containing special provisions with respect to, among others, bankruptcy of FIs and judicial cooperation in cross-border bankruptcy cases. With respect to FIs (i.e., institutions established with the approval of the financial regulators including commercial banks, securities companies, insurance companies, trust companies, securities investment fund management companies, futures companies, and non-bank payment institutions incorporated in the PRC), special procedures under the new Chapter 13 (expanded from Article 134 of the 2007 Bankruptcy Law) shall be followed, and it has been expressly confirmed that any bankruptcy petition against a FI will be subject to consent from the financial regulators. The interplay between resolution measures (details of which are to be governed by the PRC Financial Stability Law to be promulgated) and bankruptcy proceedings is also addressed. The newly introduced chapter on judicial cooperation in cross-border bankruptcy (Chapter 14 of the consultation draft) does not apply to the bankruptcy of financial institutions;
- refinement of rules on the distribution of the bankruptcy estate – in response to practical issues regarding the disposal of a debtor's assets and the bankruptcy estate, the consultation draft further refines the provisions on the administrator's rescission powers, clarifies the decision-making authority of creditors' meetings over material asset disposals by the debtor, changes the order of bankruptcy estate distribution by prioritising claims for personal injury compensation and claims for goods or services necessary for consumers' livelihood, and introduces a category of subordinated claims (including, among others, claims arising from loans between family members, interest on bankruptcy claims accruing after acceptance of the bankruptcy petition, and subordinated claims arising from the issuance of subordinated bonds by the insolvent debtor); and
- enhancement of provisions relating to bankruptcy administrators – the consultation draft clarifies the legal status of administrators, optimises the methods and qualifications for their selection, expands the scope of

responsibilities, strengthens supervision and management of administrators, and establishes a bankruptcy protection fund to support the performance of administrators' duties.

Comments are due by 11 October 2025.

HKMA revises SPM to enhance facilitative measure for visiting professionals

The Hong Kong Monetary Authority (HKMA) has issued its revised Supervisory Policy Manual (SPM) module SB-1 on the supervision of the regulated activities of SFC-registered authorised institutions. The amendments are intended to lengthen the engagement period for visiting professionals to conduct regulated activities under the Securities and Futures Ordinance from 30 days to 45 days in each calendar year, and to introduce other technical changes.

Under SPM module SB-1, registered institutions (RIs) are allowed to engage individuals who will repeatedly visit Hong Kong for a short period each time to conduct regulated activities for RIs as itinerant professionals (ITPs), subject to an engagement period of not more than 30 days in each calendar year and other requirements. To align with the recent facilitative measure by the Securities and Futures Commission for ITPs of licensed corporations, the HKMA is now extending the engagement period for ITPs of RIs to 45 days each calendar year.

As part of introducing other technical changes, the existing requirements on licensed corporations in engaging temporary licensed representatives which should be applied to RIs' engagement of temporary relevant individuals have been set out in the revised SPM module SB-1. Section 4 entitled 'Major legal and regulatory requirements' has also been updated to include those in respect of Type 13 regulated activity as the relevant regime took effect from 2 October 2024. Accordingly, the HKMA's circular of 27 July 2023 on 'Depositaries of SFC-authorised Collective Investment Schemes (Type 13 Regulated Activity)' is superseded.

The revised SPM module SB-1 has been effective from 12 September 2025.

MAS and HKMA enhance cooperation on banking supervision

The Monetary Authority of Singapore (MAS) and the HKMA have announced the exchange of a memorandum of understanding (MoU) on banking supervisory cooperation.

The MoU is intended to strengthen supervisory cooperation and facilitate the exchange of information and mutual assistance for supervisory purposes between the MAS and the HKMA. In view of the significant presence of Singapore and Hong Kong banks in both jurisdictions, strengthened cooperation is expected to enhance the supervision of cross-border operations of banks under the oversight of both authorities.

MAS revises guidelines on licensing and conduct of business for fund management companies

The MAS has revised its guidelines on licensing and conduct of business for fund management companies (FMCs) (SFA 04-G05), which set out the eligibility criteria and application procedures for licensed fund management

companies (LFMCs) and venture capital fund managers (VCFMs), as well as the ongoing business conduct requirements for LFMCs and VCFMs.

The revised guidelines include guidance on computing an FMC's assets under management and provide that assets under an FMC's management means moneys and assets:

- contracted to the FMC under discretionary or non-discretionary management, or drawn down by the FMC under discretionary management, in respect of which the FMC is carrying out fund management; and
- contracted to the FMC, but which have been subcontracted to another party and for which the other party is carrying out fund management, whether on a discretionary authority granted by the customer or otherwise.

They further clarify that:

- the value of assets under an FMC's management shall be calculated net of liabilities;
- assets are contracted to an FMC if they are the subject matter of a contract for fund management between the FMC and its customer; and
- moneys committed by customers but not drawn down should be excluded from assets under the FMC's management.

The revised guidelines also update the minimum staffing and competency requirements in Table A1 of Appendix 1. Amongst other things, while an FMC may have multiple executive directors, every executive director must possess sufficient managerial and relevant experience for his/her intended role and responsibilities in the FMC. There must also be at least one executive director who has 5 years of experience in portfolio management that is relevant to the investment activities of the FMC and the asset classes and markets that it will invest in.

Finally, the revised guidelines update the key personnel requirements for VCFMs set out under Appendix 4 to the guidelines by providing that a VCFM must have:

- a chief executive officer (CEO), who should be employed full-time in the day-to-day operations of the company and be resident in Singapore;
- at least two directors, one of whom should be an executive director; and
- at least two full-time professionals and representatives who are resident in Singapore.

The guidelines clarify that there is no restriction on an individual taking on multiple appointments within a VCFM if there are synergies, e.g., the CEO can also be appointed as an executive director, professional and representative, and that every executive director should be involved full-time in the day-to-day operations of the VCFM and be resident in Singapore.