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CSDR: EU Parliament adopts regulation on T+1 settlement

The EU Parliament has adopted the proposed regulation amending the Central Securities Depositories Regulation (CSDR) to shorten the settlement period for EU transactions in transferable securities from two days (T+2) to one (T+1).

The proposed regulation exempts certain securities financing transactions (SFTs) from the settlement cycle requirement. In order to avoid any risks of circumvention of the T+1 settlement cycle requirement, the exemption will only apply if SFTs are documented as single transactions composed of two linked operations.

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The regulation still needs to be approved by the EU Council. It would apply from 11 October 2027.

EU Parliament adopts resolution on boosting competitiveness and creating Capital Markets Union

The EU Parliament plenary has adopted a resolution on facilitating investments and reforms to boost European competitiveness and create a Capital Markets Union. The text is intended as a follow-up to the Draghi report.

Amongst other things, it calls for:

- concrete measures to make financing more available and affordable, especially for SMEs and innovative ventures;
- larger venture capital and growth funds, financed in part through transforming personal savings into investments, coupled with an EU strategy for financial literacy;
- the rapid completion of the Banking Union, the Capital Markets Union and the Savings and Investments Union;
- a pan-EU equity listing and trading environment to encourage start-ups to remain in Europe;
- reform of corporate taxation; and
- the Commission to advance the discussions on addressing investment gaps in the EU and to present concrete proposals for financing solutions.

Payments Account Directive: EU Commission publishes report assembling specific payment account related data from Member States

The EU Commission has published a report assembling specific payment account related data from Member States as required by Article 27 of the Payments Account Directive (PAD) on payment account fees, access and account switching.

In particular, the report provides information on:

- compliance by payment service providers with Articles 4, 5 and 6 of PAD;
- compliance by Member States with the requirements to ensure the existence of comparison websites pursuant to Article 7 of PAD;
- the number of payment accounts that have been switched and the proportion of applications for switching that have been refused; and
- the number of credit institutions offering payment accounts with basic features, the number of such accounts that have been opened and the proportion of applications for payment accounts with basic features that have been refused.

This is the second report based on Article 27 of PAD, covering information relating to 2022 and 2023, and was prepared based on a questionnaire agreed with government representatives from the 27 EU Member States.

ESAs publish joint annual report on principal adverse impacts disclosures under SFDR

The European Supervisory Authorities (ESAs) have published their fourth annual report on disclosures of principal adverse impacts (PAIs) under the Sustainable Finance Disclosure Regulation (SDFR). The report assesses both entity and product-level PAI disclosures under the SFDR. The findings of the report show:

- steady improvement in the quality and completeness of voluntary PAI disclosures;
- larger multinational groups provide more detailed information, while smaller entities often combine SFDR disclosures with broader ESG or marketing content; and
- some financial market participants have adopted good practices highlighted in previous reports.

The report includes recommendations to the national competent authorities (NCAs) to support their supervision of PAI disclosures and to inform the EU Commission's forthcoming review of the SFDR.

Payments: HM Treasury consults on consolidating PSR within FCA

HM Treasury has launched a consultation on its proposals for consolidating the Payment Systems Regulator (PSR) within the Financial Conduct Authority (FCA).

The consultation focuses on core design decisions that would benefit from stakeholder feedback. Specifically, it sets out:

- how the FCA will take on the PSR's responsibilities, including promoting competition and innovation in payment systems and the services provided by payment systems, and supporting the interests of consumers and businesses;
- plans to, to the extent practicable, integrate the PSR's functions within the FCA's current framework in the Financial Services and Markets Act 2000 (FSMA) and where not practicable, to set out the relevant functions in a new part of FSMA 2000;
- the FCA's role alongside other relevant public authorities; and
- the FCA's future objectives and powers in relation to payment systems.

Comments are due by 20 October 2025.

FCA publishes Quarterly Consultation No. 49

The FCA has published its latest quarterly consultation paper (CP25/24) on proposed amendments to the FCA Handbook.

It is seeking feedback on its proposals to:

- extend DEPP 6's penalties policy to Private Intermittent Securities and Capital Exchange System (PISCES);
- remove most statutory declarations from mutuals registration function forms to reduce the time and expense involved for mutual societies submitting applications to the FCA;

- amend the frequency of Section E, G and M of the Retail Mediation Activities Return (RMAR);
- give proper effect to existing ESG sourcebook rules and providing flexibility for firms to publish ongoing product-level sustainability reports in alignment with other annual fund reporting requirements;
- update PERG as a result of the HM Treasury statutory instrument which restates the MiFID Org Regs into the FCA Handbook;
- amend UKLR 9.6.6R to align the timing and frequency of post-trade share buy-back notifications with the requirements for the buy-back programme exemption under the Market Abuse Regulation;
- implement the Berne Financial Services Agreement (BFSA) which seeks to support cross-border financial services trade between both the UK and Switzerland; and
- remove regulatory contactless limits and instead allow banks and other payment service providers to deliver contactless payments whenever they identify that a transaction poses a low level of risk.

Comments are due by 15 October 2025.

BaFin consults on draft revised guidance note for authorisation of AIF capital management companies under KAGB

The German Federal Financial Supervisory Authority (BaFin) has launched a consultation on a draft revised guidance note concerning the authorisation procedure for an AIF capital management company (Kapitalverwaltungsgesellschaft) pursuant to section 22 of the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB). The objective is to facilitate and expedite the authorisation process.

Section 22 of the KAGB sets out the detailed information and evidence that a capital management company must submit to BaFin in order to obtain authorisation to manage alternative investment funds (AIFs).

In the revised guidance note, BaFin provides comprehensive information for applicants regarding the type and scope of the required documentation and evidence. It also clarifies the key content that must be communicated in each instance, such as the information necessary for assessing the professional qualifications of managing directors.

Comments are due by 30 September 2025.

DNB publishes updated guide on climate and nature-related risks

De Nederlandsche Bank (DNB) has released a revised guide to help financial institutions strengthen their approach to climate and nature-related risks. The guide includes practical examples, such as managing nature risks and integrating climate action plans into risk management.

DNB notes that recent years have seen major developments in both regulation and understanding of climate and nature-related risks. The updated guide reflects these changes and includes:

- expanded statutory frameworks;
- new insights into nature-related and legal sustainability risks; and

- updated good practices, including examples of nature risk management and the role of climate action plans.

The guide has been refined with input from the financial sector and is intended for institutions supervised by DNB, such as insurers, pension funds, investment firms and payment institutions. Banks can follow the separate European Central Bank (ECB) guide on climate-related and environmental risks.

Hong Kong Government announces commencement date for Banking (Amendment) Ordinance 2025

The Hong Kong Government has gazetted the Banking (Amendment) Ordinance 2025 (Commencement) Notice to designate 3 November 2025 as the commencement date for the Banking (Amendment) Ordinance 2025.

The Ordinance, gazetted on 13 June 2025, introduces a voluntary mechanism allowing banks and law enforcement agencies to share information with each other via secure platforms designated by the Hong Kong Monetary Authority (HKMA) relating to corporate and individual accounts, when banks become aware of suspected prohibited conduct (i.e. money laundering, terrorist financing or financing of proliferation of weapons of mass destruction). It also provides legal protection for banks that disclose relevant information.

The commencement notice will be tabled before the Legislative Council for its negative vetting on 10 September 2025.

HKMA issues revised SPM module on benchmark submission

The HKMA has announced the publication of its revised supervisory policy manual (SPM) module 'CG-7: Benchmark Submission' as a statutory guideline under section 7(3) of the Banking Ordinance.

The revisions to the SPM module stem from a round of thematic reviews conducted by the HKMA to assess the control and practices of authorised institutions against the supervisory requirements set out in module CG-7. The HKMA has shared the observations from the reviews with the Hong Kong Association of Banks and the Treasury Markets Association, which have subsequently updated the Codes of Conduct for the HKD Hong Kong Interbank Offered Rate (HIBOR) and CNH HIBOR respectively, with a view to enhancing the robustness and reliability of the interest rate benchmarks.

The revised SPM module incorporates the updated Codes of Conduct as annexes, as well as refinements to certain supervisory requirements in the light of the observations from the thematic reviews. The revised SPM module and the updated Codes of Conduct took effect on 5 September 2025.

HKMA consults on Phase 2A prototype of Hong Kong taxonomy for sustainable finance

The HKMA has launched a public consultation on the Phase 2A prototype of the Hong Kong taxonomy for sustainable finance. The Phase 2A prototype introduces several enhancements aimed at supporting Hong Kong's decarbonisation efforts, facilitating the region's transition to a low-carbon economy, and reinforcing Hong Kong's position as an international financial centre and a leading green finance hub. The key enhancements made in the Phase 2A prototype include:

- sector coverage expanded – two new sectors (i) manufacturing; and (ii) information and communications technology, have been added to the four sectors under Phase 1, increasing the total number of sectors from four to six;
- economic activities increased – thirteen new economic activities have been added, bringing the total number of economic activities from 12 to 25. Updates have also been made to the technical screening criteria of a number of activities introduced under Phase 1;
- transition elements added – transition elements including interim decarbonisation targets, measures to support transition and sunset dates (which specify the time by which transition elements will conclude) have been added; and
- environmental objective introduced – a new environmental objective, namely climate change adaptation, has been introduced to address the growing funding needs for managing physical risks and responding to the increasing frequency of extreme weather events.

Comments on the consultation are due by 8 October 2025.

MAS consults on proposed guidelines on liquidity risk management for banks, merchant banks and finance companies

The Monetary Authority of Singapore (MAS) has launched a consultation on proposed guidelines on liquidity risk management for banks, merchant banks and finance companies (collectively referred to as 'Banks').

The current Guidelines on Risk Management Practices - Liquidity Risk, issued in March 2013, apply to all financial institutions in Singapore. Building on the 2013 Guidelines, the MAS is now proposing an updated set of Guidelines for Banks in Singapore. The MAS has indicated that the 2013 Guidelines will continue to apply to all other types of financial institutions in Singapore.

The updated Guidelines are intended to provide greater clarity on the MAS' supervisory expectations on the management of liquidity risk by Banks. They are aligned with the Principles for Sound Liquidity Risk Management and Supervision issued by the Basel Committee on Banking Supervision (BCBS) in 2008 and incorporate observations from the MAS' past reviews and supervisory engagements as well as lessons learnt from past liquidity events, including the banking turmoil in 2023.

The updated Guidelines set out the MAS' expectations in relation to Banks' governance frameworks and risk management processes, including the need for robust liquidity stress testing and operationally ready contingency funding plans. They also highlight good practices observed across the banking sector, which are intended to serve as additional references.

Banks are expected to apply the updated Guidelines in a proportionate manner, having regard to the nature, size, and complexity of their activities. The MAS has proposed that, following the conclusion of the consultation, the updated Guidelines will come into effect six months after their final publication.

Comments on the consultation are due by 29 September 2025.

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SGX RegCo streamlines requirements for designated market-makers of exchange-traded funds

Singapore Exchange Regulation (SGX RegCo), a wholly-owned subsidiary of Singapore Exchange (SGX), has published a consultation paper seeking market feedback on proposed changes to streamline the requirements applicable to designated market-makers (DMMs) for exchange-traded funds (ETFs).

SGX RegCo proposes to amend the obligations of DMMs for ETFs listed and/or quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) by removing the administrative requirements for notification and announcement when ETF DMMs cease, or resume, bid and offer quotations. The proposed amendments are intended, amongst other things, to align SGX practices with the regulatory approach adopted in other major ETF markets.

The proposed changes result from SGX's review of the regulatory framework concerning the trading of ETFs to identify areas that may impact the listing and trading of ETFs. This follows the Monetary Authority of Singapore's July 2025 enhancement of the Grant for Equity Market Singapore Scheme for ETFs to facilitate more ETF listings in Singapore.

To implement the proposed changes, SGX-ST Rules 6.6.2 (b) and (c) will be amended, and Regulatory Notice 6.6.2 will be introduced.

Comments are due by 26 September 2025.