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‘Quick fix’ amendments to European sustainability reporting standards published in Official Journal

[Commission Delegated Regulation \(EU\) 2025/1416](#) setting out targeted ‘quick fix’ amendments to the first set of European sustainability reporting standards (ESRS) has been published in the Official Journal.

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The current ESRS allow for companies reporting on financial year 2024 to omit information on, amongst other things, the anticipated financial effects of certain sustainability-related risks. The 'quick fix' amendment, which applies from financial year 2025, will allow them to omit the same information for financial years 2025 and 2026.

For financial years 2025 and 2026, wave one companies with more than 750 employees will benefit from most of the same phase-in provisions that currently apply to companies with up to 750 employees.

Commission Delegated Regulation (EU) 2025/1416 will enter into force on 13 November 2025.

A broader revision of the ESRS, with the aim of substantially reducing the number of data requirements, clarifying provisions deemed unclear and improving consistency with other pieces of legislation, is being worked on by the Commission. It is expected that the review will be completed by 2027.

CMDI framework: EU Parliament publishes provisionally agreed texts of BRRD3 and DGSD2

The EU Parliament has published the following texts that it has provisionally agreed with the EU Council in trilogue negotiations:

- a Directive amending the Bank Recovery and Resolution Directive (BRRD) as regards early intervention measures, conditions for resolution and financing of resolution action ([BRRD3](#)); and
- a Directive amending the Deposit Guarantee Schemes Directive (DGSD) as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border co-operation, and transparency ([DGSD2](#)).

The two Directives are part of the EU Commission's proposals to reform the EU bank crisis management and deposit insurance (CMDI) framework. The provisionally agreed texts still need to be formally approved by both the Council and the Parliament.

Omnibus Simplification Package: EU Parliament finalises negotiating mandate on simplified sustainability reporting and due diligence rules

The EU Parliament plenary has [adopted](#) its negotiating position on the EU Commission's Omnibus proposal to reduce the scope of the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD).

Under the Parliament's proposals:

- only businesses with on average over 1,750 employees and a net annual turnover of over EUR 450 million would have to carry out social and environmental reporting under the CSRD and be required to provide sustainability reporting under Taxonomy rules;
- reporting standards would be further simplified and reduced, requiring fewer qualitative details, and sector-specific reporting would become voluntary;

- CSDDD due diligence requirements would only apply to large corporations with more than 5,000 employees and a net annual turnover of over EUR 1.5 billion;
- in-scope businesses would be expected to adopt a risk-based approach to due diligence;
- companies would no longer need to prepare a transition plan to make their business model compatible with the Paris Agreement; and
- the EU Commission would establish a digital portal for businesses with free access to templates, guidelines and information on all EU reporting requirements complementing the European Single Access Point (ESAP).

Trilogue deliberations with the EU Council, which adopted its negotiation position in June 2025, are expected to begin on 18 November. The aim is to finalise the legislation by the end of 2025.

ECON Committee publishes report on impact of AI on financial sector

The EU Parliament's Economic and Monetary Affairs Committee (ECON) has published an own-initiative [report](#) on the impact of artificial intelligence (AI) on the financial sector, which provides a number of policy recommendations to enable the use of AI in financial services and clarify regulatory overlaps.

The draft report argues that AI technology has significant potential to improve the financial sector's efficiency, enhance consumer services, and strengthen the competitiveness of EU firms, while also supporting more effective anti-money laundering and fraud detection. It also notes that the EU financial sector is well placed to manage the risks associated with the increased use of AI because of existing requirements on firms relating to data quality, data lineage, data governance, operational resilience, outsourcing, model risk, concentration risks, etc.

EU Commission launches call for evidence on review of Taxonomy Climate Delegated Act and Taxonomy Environmental Delegated Act

The EU Commission has launched a call for evidence on its plans for a package of two Delegated Regulations to review the [Taxonomy Climate Delegated Act](#) and the [Taxonomy Environmental Delegated Act](#).

The two Delegated Regulations would seek to improve the clarity, usability, legal certainty, and cost-effectiveness of the EU Taxonomy. The Commission aims to address identified implementation challenges by clarifying technical screening criteria, including the 'do no significant harm' criteria, aligning them with recent updates of related EU legislation, and eliminating unnecessary complexity. This is intended to support more consistent and efficient application across sectors and Member States, while easing the reporting burden and lowering compliance costs for companies.

Comments are due by 5 December 2025. The Commission is planning to adopt the two Delegated Regulations in Q2 2026.

CRD6: EBA consults on guidelines on supervisory independence of competent authorities

The European Banking Authority (EBA) has launched a [consultation](#) on its draft guidelines on supervisory independence of competent authorities under the Capital Requirements Directive (CRD6).

Amongst other things, the draft guidelines cover:

- the appointment of the members of the competent authorities' management body; and
- arrangements to prevent conflicts of interest of their members of staff and members of governance bodies.

Comments are due by 23 January 2026.

IOSCO reports on financial asset tokenisation

The International Organization of Securities Commissions (IOSCO) has published its [final report](#) on the tokenisation of financial assets.

The report is intended to build a shared understanding among IOSCO members of how tokenisation is being adopted across capital markets and how regulators are responding. It examines potential implications for market integrity and investor protection to guide members in shaping effective regulatory responses.

Amongst other things, the report notes that:

- tokenisation is growing but remains nascent and although commercial interest is rising, adoption is still limited, with interoperability challenges and the lack of credible settlement assets hindering scalability;
- efficiency gains are uneven and while tokenisation can shorten settlement cycles and improve collateral mobility, many market participants still rely on traditional infrastructure for trading and post-trade processes;
- legal uncertainty, operational vulnerabilities, and cyber risks mirror existing risk categories but manifest differently under DLT, requiring tailored risk controls; and
- regulatory approaches vary, with some IOSCO members applying existing frameworks while others have issued new guidance, sandbox programs, or bespoke requirements.

IOSCO publishes final report on neo-brokers

IOSCO has published its [final report](#) on neo-brokers.

Neo-brokers are an emerging group of broker-dealers that operate wholly or primarily online, providing trade execution services to retail investors with little human interaction. The report concludes IOSCO's roadmap to retail investor online safety, which focused on new challenges to investor protection resulting from digitalisation in the sector.

IOSCO has included the following five recommendations in the report:

- neo-brokers should act fairly, honestly and professionally with investors;

- neo-brokers should advertise their services appropriately and provide investors with fair and honest information about charges they may incur during a transaction;
- where neo-brokers offer ancillary services, they should first gain consent from retail investors and disclose the sources of revenue from each service;
- neo-brokers should consider the impact of non-commission related trading revenue on transactions; and
- neo-brokers should have robust IT infrastructure in place to ensure investors have safe and consistent access to services.

Bank of England consults on regulating systemic stablecoins

The Bank of England (BoE) has published a [consultation paper](#) setting out its proposed regulatory regime for sterling-denominated systemic stablecoins. The proposals build on feedback the BoE received to its November 2023 discussion paper.

Under the proposals:

- systemic stablecoin issuers will be permitted to hold up to 60% of backing assets in short-term UK Government debt. For the remaining 40%, the BoE will, as previously proposed, provide issuers unremunerated accounts;
- there will be a 'step-up' regime allowing stablecoin issuers which are recognised as systemic at launch to temporarily hold up to 95% of their backing assets in sterling-denominated UK Government securities. The percentage would be reduced to 60% once the stablecoin reaches a scale where this is appropriate to mitigate the risks posed by the stablecoin's systemic importance without impeding the firm's viability;
- the BoE is considering central bank liquidity arrangements to support systemic stablecoin issuers in times of stress;
- there will be temporary holding limits of GBP 20,000 per coin for individuals and GBP 10 million for businesses (with an exemptions regime to allow the largest businesses to hold more if required), which would be removed once the transition no longer poses risks to the provision of finance to the real economy; and
- non-systemic stablecoin issuers will be regulated by the Financial Conduct Authority (FCA). If recognised as systemic by HM Treasury, they will transition into the BoE's regime and will be jointly regulated, with the BoE overseeing prudential and financial stability risks, and the FCA continuing to supervise conduct and consumer protection. The BoE and the FCA will publish a joint approach document in 2026 to clarify how rules will apply in practice and support a smooth transition between regimes.

The BoE has also published an accompanying [Financial Stability Paper](#) on the role of holding limits for sterling-denominated systemic stablecoins and a potential digital pound.

Comments on the consultation are due by 10 February 2026. Following this, the BoE will consider feedback before consulting on and then finalising Codes

of Practice later in 2026. These will set out the detailed requirements for systemic stablecoins.

Payments Vision Delivery Committee publishes strategy for future retail payments infrastructure

The Payments Vision Delivery Committee has published its [strategy](#) to guide the development of future UK retail payments infrastructure in line with the Government's National Payments Vision. The Committee comprises the BoE, the FCA and the Payment Systems Regulator (PSR) and is chaired by HM Treasury.

The strategy is based on five strategic outcomes that build on innovation, competition and security and its delivery is intended to expand payment choices, promote inclusion, combat financial crime and ensure resilience. This will be followed by the Payments Forward Plan, which will be a sequenced plan of future payments initiatives.

PRA issues policy statement on retail deposits threshold for application of leverage ratio

The Prudential Regulation Authority (PRA) has issued a [policy statement](#) providing feedback on its March 2025 consultation (CP2/25) on changes to the retail deposits threshold for application of the leverage ratio requirement. The policy statement also contains the PRA's final policy in relation to the retail deposits threshold for application of the leverage ratio requirement, which increases the threshold from GBP 50 billion to GBP 75 billion and introduces a three-year averaging mechanism for the calculation of firms' retail deposits.

The policy will take effect on 1 January 2026.

Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2025 made

The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2025 ([SI 2025/1182](#)) have been made and laid before Parliament.

SI 2025/1182 extends by twelve months the transitional arrangements under the Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (SI 2019/589) enabling specified categories of Gibraltar-based firms to provide financial services in the UK and facilitating access by similar types of UK-based firms to Gibraltar's financial services market.

SI 2025/1182 will come into force on 16 December 2025.

HKMA announces new phase of Project Ensemble to support real-value transactions in tokenised deposits and digital assets

The Hong Kong Monetary Authority (HKMA) has [announced](#) the launch of EnsembleTX, marking the commencement of the pilot phase of Project Ensemble. EnsembleTX builds on the outcomes of the Ensemble Sandbox experimentation, which has enabled industry pioneers to test end-to-end use

cases for settling digital asset transactions using experimental tokenised deposits since August 2024.

The new pilot phase is intended to enable faster, more transparent and efficient settlement of real-value tokenised transactions. Under the pilot, the initial focus will be on empowering market participants to utilise tokenised deposits in tokenised money market fund transactions, and to manage liquidity and treasury needs in real time.

EnsembleTX will operate throughout 2026, with the interbank settlement of tokenised deposit transactions to be facilitated via the HKD Real Time Gross Settlement system initially. The pilot environment will be progressively upgraded and enhanced to support settlement in tokenised central bank money on a 24/7 basis.

The HKMA and the Securities and Futures Commission intend to continue to collaborate closely to advance the practical applications of tokenisation technology across a diverse set of asset classes, use cases, and sectors within the financial industry.

SFC enhances Cross-boundary Wealth Management Connect Scheme to facilitate client interaction

The Securities and Futures Commission (SFC) has [announced](#) new enhancements to the Cross-boundary Wealth Management Connect Pilot Scheme (Cross-boundary WMC) to foster closer communication between participating licensed corporations (LCs) and their clients under the scheme. The SFC has issued a circular to set out the implementation details. The key arrangements include the following:

- participating LCs can now offer Southbound Scheme clients the option of providing their one-off consent in writing, valid for up to one year, indicating their acceptance for the participating LCs to thereafter introduce and explain the information of the products based on the clients' personal situations and selected product categories;
- upon the request of Southbound Scheme clients, Mainland China partner brokers within the same corporate groups as the participating LCs can arrange online three-party dialogues with the participating LCs at their respective places of business, where the participating LCs can explain product information to their clients; and
- with the one-off written consent of Southbound Scheme clients, participating LCs can provide their clients with research reports on individual investment products prepared by their partner brokers.

The above arrangements also apply to the Northbound Scheme.

The SFC has indicated that it will continue to work closely with the industry and regulatory authorities to further enhance the Cross-boundary WMC and support its growth as a vital initiative for cross-boundary financial connectivity and development in the Greater Bay Area.

MAS consults on consolidating listing suitability and prospectus review functions under SGX RegCo

The Monetary Authority of Singapore (MAS) has launched a public [consultation](#) seeking comments on proposals to consolidate the listing review functions under the Singapore Exchange Regulation (SGX RegCo) that would streamline prospectus disclosure and listing requirements. This approach would apply to corporations, business trusts and real estate investment trusts in respect of securities, securities-based derivatives contracts and units listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) under Chapter 2 of the Listing Manual (collectively, Mainboard Listings). The proposals are part of a set of recommendations announced in February 2025 by the Equities Market Review Group to strengthen the competitiveness of the Singapore equities market.

Currently, the listing process involves reviews by both the MAS and SGX RegCo. The MAS reviews the issuer's prospectus for compliance with the statutory disclosure requirements under the Securities and Futures Act 2001 (SFA), while SGX RegCo assesses the issuer's suitability to list in accordance with SGX-ST's listing rules. Under the new approach, the MAS is proposing to consolidate the listing suitability and prospectus review functions under SGX RegCo, so that issuers need only to engage with SGX RegCo going forward. SGX RegCo would also be appointed to carry out certain MAS powers, functions and duties with respect to the review, lodgement of, and registration of offering documents under Part 13 of the SFA in respect of an issuer seeking Mainboard Listing.

The key states of the post-delegation review process as proposed by the MAS would be as follows:

- before registration - issuers seeking a Mainboard Listing may submit a listing application and draft prospectus to SGX RegCo prior to formal lodgement. SGX RegCo would review the listing application in accordance with the listing rules and review the draft prospectus based on the disclosure requirements under the SFA. Following completion of the review, the issuer may then proceed to lodge the preliminary prospectus. SGX RegCo would administer various aspects of the lodgement process, including lodgement of the preliminary prospectus (and any amendments), as well as exposure of the preliminary prospectus to the public. It would also accept lodgements of other documents, including profile statements, product highlight sheets and information to be incorporated by reference, which SGX RegCo may publish on its website for public information and comment. SGX RegCo would review and follow-up on any feedback received during this exposure period. SGX RegCo would register the final prospectus or profile statement but may also refuse registration if it determines that certain grounds set out in the SFA apply;
- after registration - following registration, SGX RegCo would accept lodgement of any supplementary or replacement prospectus or profile statements. It may also issue stop orders on the issuer if it determines that certain grounds set out in the SFA apply. Prior to the stop order being issued, barring exceptional circumstances, the issuer will be given an opportunity to be heard; and
- after listing - SGX RegCo would accept all lodgements of offering information statements lodged for SGX-listed issuers. As the statutory regulator, the MAS would retain oversight of SGX RegCo, including the

ability to facilitate the listing of good quality companies while maintaining robust standards of corporate governance. The MAS would also continue to investigate and take actions for breaches under Part 13 of the SFA, determine regulatory requirements for prospectus disclosures, and approve applications for exemption from these requirements.

In tandem with the MAS public consultation, SGX RegCo is proposing amendments to the relevant SGX-ST's listing rules to effect the proposed consolidation and is also seeking feedback on standing down the Listing Advisory Committee (LAC) as part of the recommendation that listing applications would not need to be subject to LAC.

Comments on both consultations are due by 29 November 2025.

MAS and OJK sign MoU to deepen collaboration in fintech and digital financial assets

The MAS and Indonesia's Otoritas Jasa Keuangan (OJK) have [renewed their commitment](#) to deepening collaboration in fintech and strengthening financial cooperation by signing a memorandum of understanding (MoU) on cooperation in financial technology. This builds on the previous MoU signed in 2018, and expands existing cooperation to support the continued growth of technological innovation in the financial sector.

The renewed partnership is intended to help financial institutions and fintech firms in both countries harness opportunities arising from fintech developments, including digital financial assets and artificial intelligence in financial services. It also seeks to promote both countries as key nodes and contribute to the growth of ASEAN's digital economy.

Key initiatives under the renewed MoU include:

- sharing of knowledge and best practices between the MAS and the OJK;
- promoting cooperation between the relevant financial industries in both countries, including the active engagement of industry bodies;
- referring promising fintech firms to participate in each other's regulatory sandboxes; and
- facilitating the flow of information across borders when fintech firms conduct business within their licensed scope of activities, subject to applicable laws and regulations.

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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