Clifford Chance

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Savings and Investments Union: EU Commission launches targeted consultation and call for evidence on competitiveness of EU banking sector

The EU Commission has launched a targeted consultation and call for evidence on the competitiveness of the EU banking sector.

The call for evidence is intended to gather information and practical feedback from stakeholders on the competitiveness of the Single Market in banking, on potential barriers affecting its proper functioning and possible ways to improve integration, efficiency and competitiveness.

Comments are due by 11 March 2026.

The targeted consultation seeks stakeholders feedback on three main areas:

- banking competitiveness in the EU and globally;
- the Single Market and the Banking Union; and
- the complexity and effectiveness of the regulatory framework.

Responses are due by 19 April 2026.

The responses will feed into the Commission's 2026 report on the competitiveness of the EU banking sector, which is part of the Savings and Investment Union (SIU) strategy.

Savings and Investments Union: EU Commission consults on possible update of Shareholder Rights Directive

The EU Commission has launched a public consultation and a call for evidence to gather feedback on a possible update of the Shareholder Rights Directive.

The Commission is seeking views from companies, shareholders, and investors on obstacles to cross-border investment stemming from the exercise of shareholder rights and how revised rules could help unify EU capital markets. Stakeholders are also invited to share their views on how shareholder rights could be modernised to effectively address changes in market practices and technological developments.

Comments are due by 6 May 2026.

EMIR 3: EU Commission invites feedback on draft delegated regulation on EBA fees for validation of *pro forma* models

The EU Commission has published a draft delegated regulation under the European Market Infrastructure Regulation (EMIR 3) specifying the fees to be charged by the European Banking Authority (EBA) for the validation of *pro forma* models used by counterparties to mitigate the risk of their uncleared over-the-counter (OTC) derivatives portfolios. The draft delegated regulation sets out the one-off fee charged for the validation of any new *pro forma* models as well as the annual fee charged for the validation of changes to already validated *pro forma* models.

The Commission has invited feedback on the draft, with responses due by 12 March 2026. It intends to adopt the delegated regulation in Q1 2026.

Delegated Regulation on benchmark administrator fees published in Official Journal

EU Commission Delegated Regulation (EU) 2026/323 amending Delegated Regulation (EU) 2022/805 as regards fees for the supervision by the European Securities and Markets Authority (ESMA) of benchmark administrators endorsing third country benchmarks has been published in the Official Journal.

Delegated Regulation (EU) 2026/323 updates Delegated Regulation (EU) 2022/805 to include supervisory fees for EU administrators that endorse third-country benchmarks.

Delegated Regulation (EU) 2026/323 entered into force on 12 February 2026.

EBA sets out supervisory priorities at end of transition period under its no-action letter on interplay between PSD2 and MiCA

The EBA has published an opinion advising national competent authorities (NCAs) under the revised Payment Services Directive (PSD2) on how to proceed once the transition period set out in its June 2025 no-action letter comes to an end on 2 March 2026. The transition period allows cryptoasset service providers (CASPs) nine months to continue transacting electronic money tokens (EMTs) that qualify as payment services while submitting, and awaiting the response to, their application for authorisation under PSD2.

The opinion outlines the conditions under which NCAs are advised to allow CASPs to continue providing EMTs that qualify as a payment service after 2 March 2026, while they do not (yet) hold a license under the PSD2. NCAs are further advised to require CASPs that do not meet all of these conditions to discontinue the provision of such EMT services. Where necessary, NCAs are advised to cooperate with the relevant national authority under the Markets in Cryptoassets Regulation (MiCA) and/or other national enforcement authorities to ensure compliance.

EBA consults on simplification of credit risk framework

The EBA has launched a public consultation on its discussion paper on the simplification and assessment of the credit risk framework. The paper sets out preliminary ideas to enhance to usability, efficiency and simplicity of

the credit risk framework, aiming to stimulate a broader discussion on how to better structure the EBA's work in this area.

In addition to exploring potential policy simplifications, the paper also looks at improving the presentation of the framework by consolidating EBA products and aligning key regulatory definitions, thereby making the EBA's credit risk outputs easier to navigate. It further highlights challenges linked to specific mandates in the credit risk area and sets out measures to be applied in future mandated reports assessing the appropriateness of several elements laid down in the Capital Requirements Regulation (CRR). Based on the comments received, the EBA will assess potential simplifications as part of its future policy work.

Comments are due by 10 May 2026.

CRR: EBA publishes final guidelines on proportionate retail diversification methods under standardised approach for credit risk

The EBA has published its final guidelines on proportionate retail diversification methods under the CRR. The guidelines provide a harmonised framework to assess whether retail portfolios are sufficiently diversified, while seeking to ensure a proportionate application for smaller institutions.

To benefit for the preferential 75% risk weight for retail exposures, the guidelines outline an approach whereby institutions demonstrate that retail portfolios are sufficiently granular. As a starting point, no single exposure to a counterparty or group of connected clients should exceed 0.2% of the total eligible retail portfolio.

Recognising that not all institutions, particularly smaller ones, can consistently meet this benchmark, the guidelines introduce an additional approach: institutions may still apply the preferential risk weight even if they exceed the baseline benchmark, **provided that** no more than 10% of their eligible retail portfolio is above the 0.2% threshold.

AMLA consults on harmonised draft RTS on customer due diligence

The Anti-Money Laundering Authority (AMLA) has launched consultations on three harmonised draft regulatory technical standards (RTS) for customer due diligence (CDD) rules in the financial and non-financial sectors.

The draft RTS on CDD build on an earlier consultation by the EBA on requirements under the new anti-money laundering and countering the financing of terrorism (AML/CTF) regime. The AMLA is especially interested in responses from the non-financial sector.

The draft RTS on business relationships establish criteria for identifying business relationships, occasional and linked transactions and lower thresholds. Under the Anti-Money Laundering Regulation (AMLR), obliged entities must perform CDD before entering into a business relationship. For occasional transactions, CDD is only required when a transaction exceeds certain value thresholds; identifying linked transactions is therefore necessary to ensure the thresholds are not circumvented through smaller multiple transactions.

Finally, the draft RTS on pecuniary sanctions, administrative measures and periodic penalty payments establish criteria for classifying the severity of breaches, setting the level of sanctions and imposing periodic penalty payments. These also build on a previous EBA consultation and so views from the non-financial sector are especially welcome.

Responses to the draft RTS on sanctions, administrative measures and penalty payments are due by 9 March 2026. Responses to the draft RTS on customer due diligence and business relationships are due by 8 May 2026.

ECB and ESRB highlight financial stability risks from linkages between banks and non-bank financial intermediation sector

The European Central Bank (ECB) and the European Systemic Risk Board (ESRB) have published a joint report on potential financial stability risks from linkages between banks and the non-bank financial intermediation (NBFI) sector.

The report identifies three important and interlinked roles played by banks in interactions with the NBFI sector: liquidity management, provision of leverage and market-making. It analyses how interactions between banks and NBFIs may affect financial stability in the EU.

The report concludes that linkages between banks and the NBFI sector are significant and that, while they do not currently pose acute risks to financial stability, they create vulnerabilities that could amplify stress in adverse market conditions.

IOSCO publishes 2026 work programme

The International Organization of Securities Commissions (IOSCO) has published its work programme for 2026, which identifies five key strategic priorities:

- strengthening financial resilience and market effectiveness;
- protecting investors;
- the evolution of public and private markets;
- technological transformation; and
- promoting regulatory cooperation and effectiveness.

Initiatives to strengthen resilience and market effectiveness will include work to address the operational resilience of financial market infrastructures and over-the-counter derivatives fragmentation. IOSCO also intends to finalise reviews on several of its principles including the IOSCO principles and standards for disclosures in secondary markets.

In recognition of the risks and opportunities presented by technological change, IOSCO aims to develop a supervisory toolkit on artificial intelligence and advance its cryptoasset roadmap. It will also collaborate with the Financial Conduct Authority's AI Lab to develop educational resources on novel products for retail investors.

To promote regulatory cooperation, IOSCO will continue to support signatories of its multilateral memorandum of understanding (MMoU) for international enforcement cooperation. It will encourage signatories to upgrade to the enhanced MMoU and support non-signatories to meet the requirements for adoption. Finally, it will continue to carry out regular reviews of the application of securities regulation.

FCA publishes final rules on regulation of buy now pay later

The Financial Conduct Authority (FCA) has published a policy statement (PS26/1) setting out its final rules on the regulation of deferred payment credit (DPC), more commonly known as 'buy now pay later' (BNPL). BNPL refers to interest-free credit products which are repayable in 12 or fewer instalments in 12 months or less.

The new rules will require BNPL lenders to provide customers with information that enables them to make informed decisions. Lenders will be required to carry out proportionate checks before offering BNPL, to ensure customers can repay what they borrow. Support must be offered to customers in financial difficulty, such as free debt advice. Customers will be able to complain to the Financial Ombudsman Service (FOS).

The protections will apply from 15 July 2026. The FCA has called on DPC lenders to prepare by making any necessary changes to their systems and controls, and on lenders that do not currently hold the necessary consumer credit permissions to register for the temporary permissions regime from 15 May 2026.

BoE issues policy statement confirming deletion of six reporting templates from COREP13 technical standards

The Bank of England (BoE) has issued a policy statement providing feedback to the responses it received to its September 2025 consultation on deleting six templates of the UK Technical Standard (UKTS) 2018/1624 on resolution reporting (COREP13). The six templates are Z 02.00, Z 03.00, Z 04.00, Z 05.01, Z 05.02 and Z 06.00, and collect financial information from firms to support the BoE's resolution planning responsibilities.

Having considered the responses to the consultation, the BoE is implementing the proposals as consulted, by deleting the six reporting templates. The changes will be effective from 1 April 2026.

HM Treasury consults on changes to appointed representatives regime

HM Treasury has launched a consultation on proposed changes to the legislative framework for appointed representatives (ARs). The consultation follows a policy statement (PS) published on 11 August 2025.

The current ARs regime enables financial services firms to engage in regulated activity without being authorised. The PS raised concerns that customers may be put at risk through poor oversight of ARs. The Government's proposed changes are intended to provide a proportionate level of protection for consumers while preserving the regime's broad scope.

The proposed changes are as follows:

- authorised firms wishing to use ARs will need to obtain permission from the Financial Conduct Authority (FCA), enabling the FCA to ensure appropriate and responsible use of ARs;
- consumers will be able to complain to the Financial Ombudsman Service (FOS) if they are unable to resolve a dispute involving an AR where an authorised firm is not responsible for the disputed issue;
- the conduct and fitness and propriety frameworks for ARs will be revised to better align with the frameworks for authorised firms.

Responses are due by 9 April 2026.

Polish Financial Supervision Authority issues statement on absence of designated competent authority in Poland for supervision of cryptoassets market

The Polish Financial Supervision Authority (KNF) has published a position statement clarifying the principles under which entities operating in the cryptoassets sector may function in the absence of the implementation of the EU Markets in Cryptoassets Regulation (MiCA) into the Polish legal framework.

Amongst other things, the KNF has indicated that, during the transitional period (i.e. until no later than 1 July 2026), entities that have already been providing cryptoasset services in accordance with national law may continue to do so. Such entities must comply with the requirements of national law under which they operated prior to 30 December 2024, and the provisions of MiCA will only apply to their activities from the date they obtain the relevant authorisation. At the same time, since these entities operate on the basis of national regulations, the rules set out in MiCA, including those concerning cross-border activities, cannot be applied to them.

Polish Financial Supervision Authority

China expands restrictions on virtual currencies to cover RWA tokenisation and RMB-linked stablecoins

The People's Bank of China (PBoC) has, together with seven other state regulators, issued the 'Notice on Further Preventing and Handling Risks Related to Virtual Currencies' to further prevent and address risks associated with virtual currencies and real-world asset (RWA) tokenisation.

The Notice reaffirms China's existing ban on the issuance and trading of virtual currencies. The issuance of RMB-linked stablecoins outside China is prohibited unless otherwise approved by the competent Chinese authorities.

In relation to RWA tokenisation, which refers to the use of cryptographic technology and distributed ledger or similar technologies to convert ownership rights, income rights, and other interests in assets into tokens (or token-like rights and bond certificates), and to issue and trade such tokens or rights, the Notice states that:

- unless specifically approved by the competent authorities and conducted on designated financial market infrastructure, RWA tokenisation and the provision of related services are prohibited in China;
- overseas entities and individuals are prohibited from offering illegal RWA tokenisation services to Chinese entities;
- if domestic entities directly or indirectly conduct RWA tokenisation business abroad in the form of foreign debt, or engage in asset-securitisation-like or equity-like RWA tokenisation business abroad based on domestic asset ownership or income rights ('domestic rights' and such business 'Cross-border RWA Business'), such activities are regulated under the principle of 'same business, same risk, same rules'. No entity or individual may conduct the above-mentioned business without the consent of, or filing with, the relevant authorities;

- subsidiaries and branches of domestic financial institutions operating abroad and providing RWA tokenisation-related services must conduct such business in a lawful and prudent manner. They shall be equipped with qualified personnel and appropriate systems, effectively manage business risks, and strictly implement requirements such as client onboarding, suitability management, and anti-money laundering. These operations must be integrated into the compliance and risk management systems of the parent institution in China; and
- intermediary institutions and information technology service providers that facilitate domestic entities in directly or indirectly conducting Cross-border RWA Business are required to establish and improve internal compliance and control systems in accordance with applicable standards, strengthen business and risk management, and report or file details of such activities with the relevant regulatory authorities.

The Notice reinforces controls over financial institutions, intermediaries, and technology service providers regarding virtual currencies and RWA tokenisation. Among other measures:

- financial institutions (including non-bank payment institutions) are prohibited from: providing account, fund transfer, clearing, or settlement services for virtual currency activities; issuing or selling virtual-currency-related financial products; accepting virtual currencies or related products as collateral; conducting insurance business involving virtual currencies or including them in insurance coverage; and providing custody, clearing, or settlement services for unauthorised RWA tokenisation business or related products; and
- intermediary and IT service providers are prohibited from offering intermediary, technical, or other services for unauthorised RWA tokenisation business or related products.

China issues rules on overseas token offerings linked to domestic assets

The China Securities Regulatory Commission (CSRC) has issued the 'Regulatory Guidelines on Overseas Issuance of Asset-Backed Securities Tokens Backed by Domestic Assets', which implement the 'Notice on Further Preventing and Handling Risks Related to Virtual Currencies' jointly released on the same day by seven central government authorities, including the CSRC.

The guidelines regulate the overseas issuance of asset-backed securities (ABS) tokens backed by domestic assets, meaning activities where tokens representing rights to cash flows generated by domestic assets or related asset rights are issued overseas using cryptographic, distributed ledger, or similar technologies.

Overseas issuance of ABS tokens is prohibited if any of the following is the case with respect to the underlying assets or the domestic entities that actually control such assets:

- PRC laws, regulations, or national provisions expressly prohibit financing through capital markets;
- the competent authorities under the State Council determine, upon review, that such issuance may endanger national security;
- the domestic entity, its controlling shareholder, or actual controller has, within the past three years, committed criminal offences such as

embezzlement, bribery, misappropriation of property, or disruption of the socialist market economic order;

- the domestic entity is under investigation for suspected criminal or major illegal activities, and no clear conclusion has been reached;
- there are significant disputes over the ownership of the underlying assets, or the assets are legally prohibited from being transferred; and
- the underlying assets fall within any prohibited circumstances specified in the negative list for domestic asset securitisation.

Before conducting any overseas issuance, the domestic entity that actually controls the underlying assets (the domestic filing entity) must file with the CSRC and submit required materials, including details of the entity, the underlying assets, and the token issuance plan. The domestic filing entity, its controlling shareholder, actual controller, directors, supervisors, senior management, and relevant intermediaries must ensure all filing materials are true, accurate, and complete.

After filing, the domestic filing entity must promptly report to the CSRC upon completion of the overseas issuance, the occurrence of major risks or other significant matters.

SFC launches trading initiatives to boost digital asset market in Hong Kong

The Securities and Futures Commission (SFC) has issued new guidance to extend virtual asset (VA) services to margin financing for licensed brokers providing VA dealing services (VA brokers), and to set out a high-level framework for virtual asset trading platforms (VATPs) to offer VA-related leveraged products intended for professional investors.

As part of its latest measures to expand product and service diversity under the ASPIRe Roadmap issued on 19 February 2025, the SFC is allowing VA brokers to offer VA financing to their securities margin clients, subject to the sufficiency of collateral and robust investor safeguards. The initiative is intended to enable margin clients with strong credit profiles and collateral to participate more actively in VA trading. Detailed guidance is set out in the SFC's circular on licensed corporations providing VA dealing services to: (a) offer financing for virtual asset dealing and access to shared order book, and (b) safeguard client virtual assets relating to withdrawals.

For licensed VATPs, the SFC has set out a high-level framework to guide them in developing perpetual contracts, which are leveraged instruments, for offering exclusively to professional investors. The framework emphasises transparent product design, clear disclosures and robust operational controls to ensure investor protection.

To further drive VA trading activity in Hong Kong, the SFC permits affiliates of licensed VATPs to act as market makers on their platforms, **provided that** strong safeguards are in place to mitigate conflicts of interest. The participation of such affiliates is expected to offer licensed VATPs an additional source of liquidity. The regulatory approach and expected standards are detailed in the SFC's circular on permitting VATP operators to accept affiliated market makers.

MAS consults on proposed changes to share financing requirements for IPOs, employee share option schemes and rights issues

The Monetary Authority of Singapore (MAS) has launched a consultation on proposed changes to share financing requirements. Currently, share financing facilities for initial public offerings (IPOs), employee share option schemes, and rights issues are subject to a requirement that the aggregate amount of loans granted to and obtained by the customer (including all discounts, rebates and other benefits) for the subscription or purchase of those shares does not exceed 80% of the subscription price or purchase price of those shares. The MAS conducted a review of these requirements to assess their continued appropriateness in today's market environment and, following this review, proposes to increase the financing threshold to 90% of the subscription price or purchase price of shares for IPOs, employee share option schemes and rights issues.

The proposed change is intended to support investor participation and market vibrancy whilst maintaining meaningful safeguards against excessive speculation and market volatility for both financial institutions (FIs) and investors and align existing expectations of FIs' credit risk management practices and Singapore's requirements more closely with those in other jurisdictions.

Comments on the consultation are due by 16 March 2026.

Recent Clifford Chance briefings

EU Benchmarks Regulation – a guide for benchmark users

The amendments to the EU Benchmarks Regulation (BMR) that took effect on 1 January 2026 changed the requirements that apply to users of benchmarks in the EU.

This briefing paper provides an overview of the amended requirements that apply to supervised entities and those responsible for prospectuses under the BMR when using benchmarks in the EU. It also includes a flowchart explaining the restrictions that apply to supervised entities when adding a benchmark in the EU to a financial instrument or financial contract or in relation to the measurement of the performance of investment funds.

https://www.cliffordchance.com/briefings/2026/02/eu-benchmarks-regulation--a-guide-for-benchmark-users.html