Clifford Chance

International Regulatory Update:
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Omnibus Simplification Package: Directive on simplified sustainability reporting and due diligence rules published in Official Journal

Directive (EU) 2026/470, which reduces the scope of the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD), has been published in the Official Journal.

Under the directive:

- only businesses with on average over 1,000 employees and a net annual turnover of over EUR 450 million will have to carry out social and environmental reporting under the CSRD and be required to provide sustainability reporting under Taxonomy rules;
- reporting standards will be further simplified and reduced, requiring fewer qualitative details, and sector-specific reporting will become voluntary;
- CSDDD due diligence requirements will only apply to large corporations with more than 5,000 employees and a net annual turnover of over EUR 1.5 billion. The due diligence directive will only apply from July 2029 for all businesses within its scope;
- in-scope businesses will be expected to adopt a risk-based approach to due diligence; and
- companies will no longer need to prepare a transition plan to make their business model compatible with the Paris Agreement.

The directive will enter into force on 18 March 2026. Member States will have until 19 March 2027 to transpose its provisions into national legislation except for Article 4 on the level of harmonisation, which they must transpose by 26 July 2028 at the latest.

MiFIR: Delegated Regulation on equity transparency published in Official Journal

Commission Delegated Regulation (EU) 2026/482 amending Delegated Regulation (EU) 2017/567 following the MiFIR Review has been published in the Official Journal.

The amendments are intended to reflect and implement the changes made to MiFIR and MiFID2 by the MiFIR Review. Specifically, Delegated Regulation (EU) 2026/482:

- amends provisions relating to the determination of what constitutes a liquid market;
- deletes provisions on what constitutes a reasonable commercial basis;
- deletes the provision specifying the size specific to the financial instrument for the purposes of the requirements applicable to systematic internalisers in respect of non-equity instruments;
- specifies what constitutes post-trade risk reduction (PTRR) services; and
- deletes publication requirements for portfolio compression services.

Delegated Regulation (EU) 2026/482 entered into force on 2 March 2026 and will apply from 23 August 2026.

Delegated regulations on liquidity management for funds published in Official Journal

Commission Delegated Regulations (EU) 2026/465 and (EU) 2026/466, which specify the characteristics of liquidity management tools (LMTs) under the revised Alternative Investment Fund Managers Directive (AIFMD2) and the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive respectively, have been published in the Official Journal.

The two delegated regulations set out the methodologies and characteristics of various LMTs that can be used by managers of AIF and UCITS funds. Under the AIFMD and UCITS Directive, fund managers must select at least two of the LMTs listed in the new delegated regulations for potential use. The rules are intended to help fund managers better manage liquidity and to minimise divergence of national practices on the use of LMTs.

The delegated regulations will enter into force on 19 March 2026. The new rules will be applicable from 16 April 2026, with an additional one year transitional period for funds that were constituted before that date.

EU Commission adopts proposal to codify Financial Conglomerates Directive

The EU Commission has adopted a proposal for a directive on the supplementary supervision of credit institutions, insurance or reinsurance undertakings, investment firms, asset management companies and alternative investment fund managers in a financial conglomerate. The purpose of the proposal is to undertake a codification of the Financial Conglomerates Directive 2002/87/EC (FICOD). The new directive will supersede the various acts incorporated in it. The Commission has emphasised that the proposal preserves the content of the acts being codified and is intended solely to bring them together with only such formal adaptations as are required by the codification exercise itself.

BRRD: EU Commission adopts amendments to Delegated Regulation on ex ante contributions to resolution financing arrangements

The EU Commission has adopted a Delegated Regulation amending Delegated Regulation (EU) 2015/63 on ex ante contributions to resolution financing arrangements under the Bank Recovery and Resolution Directive (BRRD) as regards the calculation of the contributions of certain institutions, the deletion of a risk indicator and procedural modifications.

The amendments are intended to reflect changes to the BRRD and the adoption of the new prudential regime for investment firms (IFR/IFD) as well as lessons learned from the initial period of collecting contributions. Amongst other things, the adopted text:

- amends Article 3(2) on the definition of investment firms and of competent authority;
- modifies the methodology for the calculation of contributions of certain institutions (investment firms);
- deletes the risk indicator 'Own funds and eligible liabilities held by the institution in excess of MREL'; and
- sets out changes regarding certain procedural issues.

The Delegated Regulation will enter into force on the third day after its publication in the Official Journal. The amendments will apply from 1 January 2026, with certain provisions, including the new contribution methodology for investment firms and related supervisory notification requirements, applying from 1 January 2027.

EMIR 3: ESMA consults on draft RTS on post-trade risk reduction services

The European Securities and Markets Authority (ESMA) has launched a consultation on draft regulatory technical standards (RTS) on the requirements for how post-trade risk reduction (PTRR) services can benefit from the exemption from the clearing obligation introduced under the review of the European Market Infrastructure Regulation (EMIR 3).

ESMA is seeking feedback on several elements of the framework for PTRR service providers to operate under the exemption, including transparency towards participants, algorithm safeguards, execution of PTRR exercises, controls to be performed and record keeping. The consultation also describes how monitoring should be conducted by the relevant authorities.

Comments are due by 20 April 2026.

EMIR 3: ESMA publishes final draft RTS on clearing thresholds

ESMA has published its final draft RTS setting out new and revised clearing thresholds EMIR 3. The proposed thresholds are intended to ensure continuity in the coverage of systemic risk in over-the-counter (OTC) derivative markets while avoiding additional compliance burdens for market participants.

In particular, ESMA has:

- retained five clearing threshold categories, avoiding additional categories or more granular thresholds;
- clarified the timing of calculation of positions, allowing counterparties to apply the new clearing thresholds during their usual assessment window or earlier; and
- sought to enhance stability and visibility in the mechanism triggering the review of the clearing threshold.

Additionally, ESMA has suggested increasing the thresholds in the commodity, interest rate and credit derivatives asset classes. These adjustments are intended to reflect recent price developments, inflation and other relevant market factors while ensuring a proportionate coverage of the systemic risk.

The final draft RTS will now be submitted to the EU Commission for endorsement.

EMIR 3: ESMA publishes supervisory briefing on active account requirement representativeness obligation

ESMA has published a supervisory briefing on the representativeness obligation linked to the active account requirement (AAR) under EMIR 3. The briefing is intended to provide guidance and promote supervisory convergence for the supervision of counterparties subject to the AAR. It outlines how to identify the most relevant subcategories for the purposes of the representativeness obligation, how to report trades, and includes an example of compliance with reporting of the representativeness obligation.

The representativeness obligation requires relevant counterparties to clear a number of trades in their active accounts open at EU CCPs. These trades must be on the most relevant subcategories of derivatives and reflect the activity those counterparties currently clear at Tier 2 CCPs.

ESMA consults on guarantees as CCP collateral and aspects of CCP investment policy

ESMA has published a consultation paper setting out draft RTS on guarantees as CCP collateral and aspects of CCP investment policy.

The consultation follows EMIR 3, which amended Article 46 of the European Market Infrastructure Regulation to broaden the type of guarantees eligible for use as collateral and who may use them. Under this article ESMA is required to develop draft RTS to specify the relevant conditions under which public guarantees, public bank guarantees and commercial bank guarantees may be accepted as collateral; it proposes to do this through an amendment to RTS 153/2013.

ESMA also proposes targeted changes to the provisions set out in RTS 153/2013 that have been adopted under the mandate under Article 47(8) of EMIR. These concern the conditions under which debt instruments can be considered eligible financial instruments for CCP investment policy, and the arrangements for the deposit of financial instruments posted as margins or default fund contributions.

Comments are due by 30 April 2026.

ESMA reminds firms of their obligations under CFD product intervention measures amid rising offerings of perpetual futures

ESMA has issued a statement reminding firms to consider whether new products fall within existing product intervention rules for contracts for differences (CFDs).

The statement follows a rise in the offering of derivative products, often marketed as 'perpetual futures' or 'perpetual contracts', that provide leveraged exposure to underlying values, including cryptoassets. It emphasises that any such products that qualify as a CFD are subject to applicable product intervention requirements, including leverage limits, mandatory risk warnings, margin close-out and negative balance protection and a ban on monetary and non-monetary benefits.

ESMA has also reiterated that complex products should be distributed to a narrowly defined target market, undergo an appropriateness assessment in accordance with relevant requirements, and that firms should take appropriate steps to identify, prevent, or manage potential conflicts of interest.

ESMA simplifies MiFID2/MiFIR obligations on market data

ESMA has withdrawn its guidelines on the MiFID2/MiFIR obligations on market data.

The guidelines were adopted on 18 August 2021 and were intended to ensure a consistent application of MiFID2 and MiFIR rules on market data, particularly Article 13 of MiFIR. The same subject matter is covered by the newly applicable regulatory technical standards (RTS) on the obligation to make market data available to the public on a reasonable commercial basis (RCB) set out in Commission Delegated Regulation (EU) 2025/1156, which entered into force on 23 November 2025. The guidelines have therefore been withdrawn to simplify rules and remove unnecessary compliance burdens for data providers.

The withdrawal is effective immediately. A transition period applies for market data providers authorised before 23 November 2025, allowing them to align existing arrangement with the new RTS by 22 August 2026.

MAR: ESMA publishes draft RTS on buy-back programmes and stabilisation measures to reflect Listing Act changes

ESMA has published a report proposing amendments to the RTS on buy-back programmes and stabilisation measures set out in Commission Delegated Regulation 2016/1052.

Article 5 of the Market Abuse Regulation (MAR), as amended by the Listing Act, changes the requirement regarding which buy-back transactions must be reported, and introduces an aggregate reporting of buy-back transactions to the public. ESMA's report contains draft amendments to the RTS on buy-back programmes to reflect these changes.

ESMA has deemed it disproportionate to publicly consult and carry out a cost-benefit analysis on the basis that the proposed changes are a direct consequence of the change in MAR and are expected to have a limited impact on market participants.

The amended draft RTS will now be submitted to the EU Commission for adoption.

EBA and ESMA consult on revised suitability assessment framework for banks and investment firms

The European Banking Authority (EBA) and ESMA have launched a consultation (EBA/CP/2026/03) on revised joint guidelines on the assessment of the suitability of members of the management body and key function holders.

The draft guidelines incorporate new requirements introduced by the revised Capital Requirements Directive (CRD6). Elements covered include the use of ex-ante applications where competent authorities carry out ex-post assessments, and mandatory suitability assessments for holders of key functions such as chief financial officers. The draft guidelines also cover the new CRD requirements for third-country branches and how to identify reasonable grounds to suspect money laundering or terrorist financing risks.

The EBA has also launched a consultation (EBA/CP/2026/02) on draft regulatory technical standards (RTS) on the documentation and information that large institutions must submit to competent authorities as part of the suitability assessment. The draft RTS are intended to harmonise the content of the assessment to ensure consistency across the EU.

Responses to both consultations are due by 25 May 2026.

CRR: EBA responds to proposed amendments to draft RTS on equivalent legal mechanism

The EBA has published its opinion in response to the EU Commission's amendments to draft RTS on what constitutes an equivalent legal mechanism to ensure the completion of a residential property under construction within a reasonable timeframe, as outlined in the Capital Requirements Regulation (CRR).

The Commission has proposed to increase the cap on the risk weight applicable to the protection provider from 20% to 30% under the standardised approach. However, the EBA argues that it is important to maintain the original 20% threshold to remain consistent with the overall prudential framework and to ensure a sufficient level of assurance for the effective completion of a property.

The Commission has also proposed removing the requirement that the completion guarantee be mandated by the law of the Member State where the residential property is being built; the EBA believes that the requirement ensures qualification as a legal mechanism as opposed to a private contractual arrangement, and that removing it could reduce the robustness and legal certainty of the framework.

The opinion also provides targeted comments on certain drafting changes introduced by the Commission, including the treatment of intragroup arrangements and specific provisions relating to enforceability and force majeure, with a view to avoiding unintended prudential or legal consequences and preserving the internal coherence of the CRR framework.

SRB publishes updated guidance on separability and transferability

The Single Resolution Board (SRB) has published updated operational guidance on separability and transferability for transfer tools following a public consultation. The revised material is intended to support crisis readiness by aligning the guidance with existing resolvability self-assessment requirements and providing clearer expectations for demonstrating operational capabilities.

The update does not introduce new deliverables; instead, it streamlines and clarifies existing processes by offering an operational framework for transfer playbooks and including an annex on testing. Several sections were simplified following the public consultation, with adjustments made to reflect proportionality.

The updated guidance is intended to help banks address challenges identified in previous submissions and adopt a more consistent approach to separability analysis. It also provides a detailed manual to support the development of transfer playbooks, helping reduce execution risks and enhance overall preparedness.

Basel Committee issues consolidated version of its guidelines and sound practices

The Basel Committee on Banking Supervision has launched a consultation on a consolidated version of its guidelines and sound practices, alongside a new section of its website. The initiative is designed to make the Committee's guidance more accessible and easier to navigate. The consolidated version has been published in draft form to invite feedback from stakeholders.

The new structure reorganises existing guidelines and sound practices into a modular format, replicating the approach taken by the Committee in the development of the Basel Framework. The exercise is intended to streamline outdated duplicative or superseded content, with the Committee reducing the volume of its materials by 75%. The Committee intends to periodically review these guidelines as standards, supervisory practices and the financial system evolve.

Comments are due by 26 June 2026.

PRA publishes policy statement on credit union service organisations

The Prudential Regulation Authority (PRA) has published a policy statement (PS5/26) containing feedback to its June 2025 consultation (CP13/25), as well as setting out its final policy rules, on credit union (CU) supervision.

In response to the consultation, the PRA has made changes to its draft policy as follows:

- credit union rules have been amended to allow CUs to invest in credit union service organisations (CUSOs) that serve other UK-regulated mutuals;
- the PRA has clarified that CUs may partner with non-CUs to own a CUSO;

- safeguards have been set to manage the risks associated with CUSO scope expansion;
- the maximum investment a CU can make in a CUSO has been raised from 5% to 7.5% of its total capital; and
- the PRA has clarified that CUs have six months to implement the expectations set out in the CUSOs chapter of SS2/23.

The new rules took effect from 20 February 2026. The new chapter 18 of SS2/23 will take effect on 20 August 2026.

Credit Information Market Study: FCA consults on proposed approach to implementing remedies

The Financial Conduct Authority (FCA) has published a consultation paper (CP26/7) on improving how consumer credit information is shared and used across retail lending markets.

The proposals include mandatory reporting for credit and mortgage firms alongside a regulatory framework governing credit information sharing. The FCA aims to improve the consistency, coverage and accuracy of data across Designated Consumer Credit Reference Agencies (DCCRAs). The consultation forms part of the remedies set out in the Credit Information Market Study Final Report (MS19/1), focusing on remedies 2A and 2D, and outlining next steps for 2C and 3A.

Comments are due by 1 May 2026.

Payments Vision Delivery Committee publishes Payments Forward Plan

The Payments Vision Delivery Committee has published the Payments Forward Plan, which sets out the regulatory roadmap for the payments sector over the next three years. The Committee comprises the Bank of England (BoE), the FCA and the Payment Systems Regulator (PSR) and is chaired by HM Treasury (HMT).

The plan provides a consolidated and sequenced overview of forthcoming payments-related initiatives across government and the regulators, aligned with the National Payments Vision. It is intended to address regulatory congestion, support industry planning and create space for private sector innovation while maintaining a focus on competition, security and consumer outcomes across retail and wholesale payments and relevant digital asset activity.

BaFin consults on consolidated circular on administrative practice re takeovers under WpÜG

The German Federal Financial Supervisory Authority (BaFin) has launched a consultation (01/2026) on a draft circular regarding the administrative practice relating to takeovers under the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG).

The aim of the circular is to facilitate takeover-related procedures for market participants by addressing common questions under the WpÜG and to increase transparency in BaFin's administrative practices.

The circular is addressed to market participants who intend to conduct procedures under the WpÜG in conjunction with the provisions of the WpÜG Offer Ordinance (WpÜG-Angebotsverordnung – WpÜG-AngebotsVO) and, where applicable, the Stock Exchange Act (Börsengesetz – BörsG).

The circular consolidates existing administrative practices without introducing new requirements.

Comments are due by 20 March 2026.

BaFin reciprocally applies Austrian sectoral systemic risk buffer

BaFin has issued a general decree (Allgemeinverfügung) pursuant to section 10e para 9 of the German Banking Act (Kreditwesengesetz – KWG) stating that BaFin will reciprocally apply the sectoral systemic risk buffer (SyRB) introduced by the Austrian Financial Market Authority (FMA) to institutions licensed in Germany. This buffer is pertinent to certain real estate loans in Austria that are secured by commercial property. The measure mandates a 1.0% capital buffer, **provided that** the relevant risk exposures in Austria exceed EUR 100 million. The rule is to be applied at the level of the individual institution, as well as on a consolidated and sub-consolidated basis.

BaFin issued the general decree (Allgemeinverfügung) following consultations with relevant parties, which ended on 4 February 2026.