

INTERNATIONAL REGULATORY UPDATE: 09 – 13 May 2026



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EU Commission reports on preparedness of EU financial sector

The EU Commission has published a [report](#) to the EU Council and Parliament outlining the current state of preparedness of the EU financial sector. As part of the Preparedness Union Strategy, the Commission is assessing how well the financial sector can maintain critical functions, including payments and funding the economy, under increasingly complex and unpredictable circumstances.

The report highlights the importance of key legislation, including sector-specific legislation (CRD/CRR, Solvency II, MiFID2, EMIR, CSDR) which sets standards for operational resilience and cross-sector legislation (DORA, the CER Directive and NIS2) which focuses on cybersecurity and strengthening the EU's financial sector's ability to prevent and recover from ICT-related disruptions. More widely, the report notes that EU authorities have been granted specific tools to utilise in emergency situations and have developed internal business continuity arrangements alongside EU Member State preparedness schemes.

Whilst the Commission acknowledges that the sector has demonstrated robust performance during recent episodes of crisis, it also notes that

preparedness is not static and requires diligent planning, rigorous stress testing and continuous improvement.

CRR3: EU Commission adopts amendments to RTS on factors for assessing appropriateness of real estate risk weights

The EU Commission has adopted a [Delegated Regulation](#) setting out amending regulatory technical standards (RTS) on the types of factors to be considered by national authorities in assessing the appropriateness of real estate risk weights under the Capital Requirements Regulation (CRR). The amendments update the relevant legal references in Delegated Regulation (EU) 2023/206 to align with the new banking framework under CRR3.

The Delegated Regulation will enter into force on the twentieth day following its publication in the Official Journal of the European Union.

EU Parliament adopts directive on common insolvency rules

The EU Parliament has [adopted](#) the proposed directive harmonising certain aspects of insolvency law.

The directive covers several key areas of insolvency law. It aims to increase insolvency practitioners' access to asset tracing information, thus better facilitating asset recovery. It aligns national rules concerning creditors' committees and requires these to be set up in all Member States under certain circumstances, with the aim of strengthening creditors' positions in an insolvency scenario. Pre-pack proceedings, which facilitate quicker execution of sales after opening liquidation proceedings, will be available in all Member States. The directive also establishes minimum standards on transaction avoidance and harmonises rules on directors' duties in insolvency.

The text still needs to be formally approved by the EU Council. The directive will enter into force twenty days after its publication in the Official Journal.

Amendments to ITS on MREL reporting published in Official Journal

[Commission Implementing Regulation \(EU\) 2026/519](#) amending the implementing technical standards (ITS) laid down in Commission Implementing Regulation (EU) 2021/622 as regards the frequency of reporting and the information to be reported on the minimum requirement for own funds and eligible liabilities (MREL) under the Bank Recovery and Resolution Directive (BRRD) has been published in the Official Journal. Amongst other things, the current annual submission of MREL decisions will be replaced with biannual submissions.

Commission Implementing Regulation (EU) 2026/519 will enter into force on 31 March 2026.

ESMA sets out actions to simplify retail investor journey

The European Securities and Markets Authority (ESMA) has published a [report](#) summarising the feedback it received to its May 2025 call for evidence on the retail investor journey under MiFID2. The purpose of the

call for evidence was to gather feedback from stakeholders to better understand how retail investors engage with investment services, and whether regulatory or non-regulatory barriers may be discouraging participation in capital markets.

The report outlines a number of actions and operational improvements that ESMA intends to take forward to make it easier for retail investors to access suitable investment opportunities. In particular, ESMA will focus on the following three areas:

- streamlining disclosure requirements and tackling information overload for investors;
- reducing complexity in suitability and appropriateness assessments; and
- simplifying MiFID2 requirements on sustainability preferences.

MAS consults on updated guidelines on operational risk management

The Monetary Authority of Singapore (MAS) has launched a [consultation](#) on updated guidelines on operational risk management (ORMG).

The updated ORMG set out the MAS' supervisory expectations for effective operational risk management practices by financial institutions (FIs), and incorporates key elements of the revised principles for the sound management of operational risk published by the Basel Committee on Banking Supervision in April 2023.

Amongst other things, the MAS is seeking comments on the following:

- the proposed application of the expectations set out in the updated ORMG to all FIs, with the understanding that these expectations may be implemented in a proportionate manner, as commensurate with the size and complexity of the FI, and the nature and materiality of risks in its business operations;
- the proposed expectation for a domestic systemically important bank or insurer (D-SIB/D-SII) to publicly disclose its approach to operational risk management and operational risk exposures, and its code of conduct;
- the proposed expectations under section 7 of the updated ORMG regarding public disclosure of the operational risk management framework and significant operational loss events, as well as the requirement for formal disclosure policies subject to board and senior management approval;
- the proposed amendments to the Guidelines on Risk Management Practices – Internal Controls to include the expectation for a D-SIB/D-SII to make its code of conduct publicly available;
- the proposed expectation that an FI establish a robust change management process to identify and assess material incremental operational risks arising from planned changes in its operations;
- the proposed expectation for an FI to establish and maintain a sound and comprehensive ORM framework which forms an integral part of its overall risk management process; and
- the proposed expectation for an FI with a branch or subsidiary that is either (a) subject to consolidated supervision by the MAS or (b) an owner of critical information infrastructure, to consider the operational

risk of its branch and/or subsidiary, including those located outside Singapore, in its consolidated operations.

The MAS proposes a transition period of six months from the issuance of the updated ORMG for FIs to comply with the expectations set out in them. The updated ORMG will supersede the Guidelines on Risk Management Practices – Operational Risk published in March 2013.

Comments are due by 20 April 2026.

MAS sets out supervisory expectations for financial institutions on transition planning practices in addressing environmental risk

The MAS has [issued](#) three sets of guidelines on environmental risk management and transition planning to separately set out its supervisory expectations for banks, insurers and asset managers (collectively, FIs) to manage the transition and physical risks they and their portfolios face from climate change. The guidelines are an addendum to the guidelines on environmental risk management issued in 2020.

The guidelines are intended to support FIs in building effective risk assessment and risk management capabilities for better resilience against climate-related risks. FIs are expected to establish a transition planning process in a risk proportionate manner, taking into consideration various factors, such as the risk profile of their business models and the local circumstances of their business operations. In particular, the MAS expects FIs to:

- assess and manage the risks associated with both physical and transition risks arising from climate change by adapting their business models, governance and risk management practices in a forward-looking manner;
- engage their customers and investee companies to better understand the climate-related risks they face and their management of such risks, so as to avoid the indiscriminate withdrawal of credit, insurance coverage, or investments, and support broader financial stability – in this context, FIs should consider the risk materiality of their customers and investee companies when collecting data; and
- keep pace with the development of knowledge and capabilities relating to the measurement and management of climate-related risks, as data and methodologies around the understanding of such risks continue to improve.

The guidelines will take effect from September 2027.

The issuance of guidelines follows the MAS' responses to the feedback it received on three consultation papers published on 18 October 2023.

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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