

## INTERNATIONAL REGULATORY UPDATE: 20 – 24 April 2026



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- **Banking Union: Legislation on bank crisis management and deposit insurance published in Official Journal**
- **Payments: EU Council publishes final compromise texts for PSD3 and PSR**
- **EU Commission adopts RTS on ESG rating activities and disclosure of ESG rating products**
- **EU Commission adopts Delegated Regulations on ESMA fees, fines and penalty payments for ESG rating providers**
- **EBA reports on benchmarking of diversity practices in banking sector**
- **CRR: EBA responds to proposed amendments to draft RTS on operational risk requirements**
- **UK Government sets out proposed draft legislation on stablecoins**
- **HM Treasury sets out package to modernise payments regulation**
- **FCA and PRA set out reforms to Senior Managers and Certification Regime**
- **Motor finance: FCA calls on law firms and claims management companies to consider their clients**
- **Sanctions (EU Exit) (Miscellaneous Amendments) Regulations 2026 made**
- **BoE consults on FMI fee rates for 2026/27**
- **BaFin issues general decree on post-trade transparency for German sovereign debt securities**
- **BaFin consults on implementation of EBA guidelines on ADC exposures to residential property under CRR**
- **BaFin consults on draft circular on proportionate retail diversification methods under CRR**
- **Polish Ministry of Finance and Economy publishes draft amendment concerning the development of investment funds**
- **Companies Registry publishes revised guidelines on licensing conditions of money lenders' licence**

- **HKEX consults on accelerated settlement for Hong Kong cash market**
- **HKEX concludes consultation on proposed amendments to structured products listing framework**
- **SFC announces new regulatory framework to allow secondary trading of tokenised SFC-authorized investment products**
- **Recent Clifford Chance briefings: Artificial intelligence in 2026, and where financial services risk is heading. Follow this link to the briefings section**

### **Banking Union: Legislation on bank crisis management and deposit insurance published in Official Journal**

A package of legislation to amend the crisis management and deposit insurance (CMDI) framework in the EU has been published in the Official Journal. The package consists of:

- Directive (EU) 2026/806, which amends the Bank Recovery and Resolution Directive (BRRD) as regards early intervention measures, conditions for resolution and financing of resolution action ([BRRD3](#));
- Regulation (EU) 2026/808, which amends the Single Resolution Mechanism (SRM) Regulation as regards early intervention measures, conditions for resolution and funding of resolution action ([SRMR3](#)); and
- Directive (EU) 2026/804, which amends 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](#)).

All three will enter into force on 10 May 2026 and apply from 11 May 2028.

### **Payments: EU Council publishes final compromise texts for PSD3 and PSR**

The EU Council has published the final compromise texts for the proposed new [Payment Services Directive \(PSD3\)](#) and [Payment Services Regulation \(PSR\)](#).

The proposals consist of a package of measures which aim to:

- combat and mitigate payment fraud;
- improve consumer rights;
- further level the playing field between banks and non-banks;
- improve the functioning of open banking;
- improve the availability of cash in shops and via ATMs; and
- strengthen harmonisation and enforcement.

The texts reflect the provisional agreement reached by the Council with the EU Parliament on 27 November 2025. They are published alongside a note from the General Secretariat of the Council, suggesting that its Permanent Representatives Committee (Coreper) approves the texts with a view to reaching an agreement with Parliament at second reading.

Both texts must be formally approved by the Parliament and the Council before they can be published in the Official Journal.

## **EU Commission adopts RTS on ESG rating activities and disclosure of ESG rating products**

The EU Commission has adopted two Delegated Regulations laying down regulatory technical standards (RTS) under Regulation (EU) 2024/3005 (the ESG Rating Regulation).

The [first](#) specifies the measures and safeguards that ESG rating providers must put in place to separate their ESG rating activities from their other activities. The RTS require that:

- ESG rating providers put in place separate organisational structures and working environments for employees and other people involved in the rating process from any of the activities listed in Article 16(1) of the ESG Rating Regulation, and gather regular self-declarations attesting employees' non-involvement in such activities;
- those providers that intend to provide investment services and/or insurance and reinsurance activities implement additional technical and internal control measures; and
- those providers that provide benchmarks, or intend to, adopt additional specific safeguards to ensure that:
  - employee compensation remains unaffected by any conflicts of interest related to benchmark activities;
  - ESG ratings are produced and offered independently of the provision of benchmarks; and
  - any actual or potential conflicts of interest are assessed and documented before entering into a contract for the provision of ESG rating activities.

The [second](#) specifies the elements of ESG rating products that must be disclosed to the public and to users of ESG ratings, rated items and issuers of rated items. The RTS specify:

- the form that disclosed information should take; and
- the content of disclosures about rating products, rating methodologies (including limitations in data sources, information and assumptions), the organisational structure of rating providers, and the revision of data and methodologies.

Both Delegated Regulations will enter into force 20 days after their publication in the Official Journal.

## **EU Commission adopts Delegated Regulations on ESMA fees, fines and penalty payments for ESG rating providers**

The EU Commission has adopted two Delegated Regulations which supplement the ESG Rating Regulation with regard to the fees, fines and penalty payments the European Securities and Markets Authority (ESMA) can impose on ESG rating providers.

The [first Delegated Regulation](#) sets out the fees ESMA may charge ESG rating providers, specifying the type of fees, the matters for which fees are due, the amount of the fees and the respective justification, the manner in which they are to be paid and, where applicable, the way in which ESMA can reimburse competent authorities for any costs that they incur when

carrying out tasks under the ESG Rating Regulation. It will enter into force on the day following its publication in the Official Journal.

The [second Delegated Regulation](#) sets out the fines and periodic penalty payments that ESMA may impose on ESG rating providers, including provisions on rights of defence, temporal provisions and the collection of fines or periodic penalty payments, as well as detailed rules on the limitation periods for the imposition and enforcement of fines and periodic penalty payments. It will enter into force 20 days after its publication in the Official Journal.

## **EBA reports on benchmarking of diversity practices in banking sector**

The European Banking Authority (EBA) has published the [results](#) of its benchmarking analysis on diversity practices in the management bodies of more than 850 credit institutions and investment firms across the EU.

The EBA reports that, as of 31 December 2024, significant gender imbalances and pay gaps have persisted, despite some progress compared with the situation in 2021. The EBA calls on institutions to consider promoting a more balanced representation of genders, and on competent authorities to continue assessing diversity and gender pay gap practices as part of their supervisory reviews.

Among other things, the EBA found that:

- around 20% of institutions have no diversity policy, and only 67% have set quantitative targets for gender representation;
- nearly half of institutions have no women among their executive directors, and women account for only 12% of CEOs across the EU. While representation is higher in supervisory functions, women remain under-represented in leadership roles;
- male executive directors earn on average around 10% more than their female counterparts, pointing to shortcomings in the application of gender-neutral remuneration policies; and
- there is a positive correlation between gender balance and return on equity (RoE) at institutional level, reinforcing the case for stronger diversity practices.

The EBA intends to continue monitoring and assessing developments in diversity and remuneration practices in the EU.

## **CRR: EBA responds to proposed amendments to draft RTS on operational risk requirements**

The EBA has published an [opinion](#) in response to the EU Commission's amendments to draft RTS on operational risk requirements under the Capital Requirements Regulation (CRR).

The EU Commission informed the EBA that it intended to endorse, with amendments, the draft RTS submitted by the EBA in June and August 2025. Under its amendments, the Commission proposes to, among other things:

- allow the combined use of the accounting approach (AA) and the prudential boundary approach (PBA) for the calculation of the financial component of the business indicator; and

- limit notification obligations to competent authorities to material changes in the scope of the PBA when used in combination with the AA.

In its opinion, the EBA calls on the Commission to reconsider these amendments, noting that the combined use of the AA and PBA is not envisaged in the Basel standard and may increase complexities and inconsistencies across risk frameworks, and that the limitation on notification obligations could introduce institution-specific materiality judgments and weaken supervisory effectiveness.

The EBA supports the other amendments proposed by the Commission, which it notes will improve readability and legal certainty.

## **UK Government sets out proposed draft legislation on stablecoins**

HM Treasury has published a [policy note](#) and [draft statutory instrument](#) (SI) outlining proposed amendments to the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026.

The proposed changes are intended to provide greater clarity around payment services for UK qualifying stablecoin (UKQS). The draft SI sets out the Government's plans to regulate UKQS ahead of broader payment services reforms, to ensure that firms seeking to provide UKQS payment services do not face undue barriers. The draft SI also outlines changes intended to remove barriers to other UKQS use cases and ensure an internationally competitive UK regime for cryptoassets.

The Government will consult with industry stakeholders to gain feedback on the proposals. Written feedback can also be submitted until 22 May 2026.

## **HM Treasury sets out package to modernise payments regulation**

HM Treasury has announced a new [package of measures](#) aimed at preparing the UK's payments sector for the future of rapid financial innovation, along with its response to its October 2025 consultation on streamlining the approach to payment systems regulation.

The measures aim to modernise payments services regulation and drive adoption of tokenised digital assets. They are intended to deliver a more agile and streamlined regulatory framework and ensure regulation can keep pace with rapid technological change whilst maintaining strong consumer protections. The package includes:

- improving the regulation of payment services and electronic money by integrating it with the UK's core regulatory approach for financial services and establishing a single framework for both traditional and tokenised payments;
- regulating stablecoins for their use in payments;
- exploring how payments services regulation should adapt to payments conducted by AI agents;
- granting the Financial Conduct Authority (FCA) new powers to regulate the future of Open Banking;

- bringing forward legislation to cut administrative burdens for companies wanting to provide stablecoin payments;
- appointing former interim CEO of the FCA Chris Woolard as the Government's new Wholesale Digital Markets Champion; and
- providing an additional GBP 1 million in funding for the Centre for Finance, Innovation and Technology (CFIT) to facilitate collaboration and solve pressing issues across the fintech sector.

As part of the package, the Government has also published its response to the consultation on abolishing the Payments Systems Regulator (PSR) and transferring its functions to the FCA. The document sets out the feedback received from respondents to the consultation and the Government's intended policy direction. Respondents generally welcomed the Government's proposals.

The Government plans to publish a further consultation paper on reforming the regulation of payment services and electronic money.

### **FCA and PRA set out reforms to Senior Managers and Certification Regime**

The Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) have published policy statements ([PS26/6](#) and [PS12/26](#) respectively) setting out reforms to the Senior Managers and Certification Regime (SM&CR).

Changes include:

- allowing firms more time to submit senior manager applications when there has been an unexpected or temporary change and to report updates to senior management responsibilities;
- removing the requirement to certify people to hold multiple overlapping functions;
- streamlining annual checks on whether individuals are 'fit and proper';
- raising several of the enhanced firm thresholds, meaning these will apply only to larger, more complex firms;
- clarifying the definition of certain senior management roles;
- increasing the validity length of criminal record checks for senior management applicants; and
- giving firms more time to update the directory of certified and assessed persons.

Most of the changes will take effect from 24 April 2026. Changes to regulatory reporting and processes will take effect from 10 July 2026, and changes made to align with the FCA's PS25/23 on non-financial misconduct will take effect from 1 September 2026.

The regulators intend to consult on further reforms later in 2026.

HM Treasury has also published its [response](#) to feedback received to its consultation published in July 2025 on reforming the SM&CR.

## **Motor finance: FCA calls on law firms and claims management companies to consider their clients**

The FCA has published a [statement](#) calling on any law firms or claims management companies involved in a potential challenge against the motor finance redress scheme, that also has clients making motor finance claims, to consider their position and that of their clients carefully.

The FCA states that law firms and claims management companies should write to those clients to explain they're involved in a challenge that's likely to delay compensation, and they should give those clients the option of exiting the contract and strongly consider waiving any fees.

## **Sanctions (EU Exit) (Miscellaneous Amendments) Regulations 2026 made**

The Sanctions (EU Exit) (Miscellaneous Amendments) Regulations 2026 ([SI 2026/443](#)) have been made and laid before Parliament.

SI 2026/443 makes amendments to several sanctions regulations made under section 1 of the Sanctions and Anti Money Laundering Act 2018, with the aim of improving the clarity, consistency and strength of the sanctions regulations.

SI 2026/443 will come into force on 13 May 2026.

## **BoE consults on FMI fee rates for 2026/27**

The Bank of England (BoE) has launched a [consultation](#) on the fees regime for financial market infrastructure (FMI) supervision for 2026/27.

The consultation paper proposes:

- that fee rates meet the BoE's 2026/27 funding requirements for its FMI supervisory activity and supporting policy as permitted by the BoE's fee-levying powers; and
- an extension to the phased recovery period for UK central counterparties (CCP) rulebook costs.

The BoE notes that the consultation timetable has been brought forward and that the impact of external market conditions is currently unconfirmed. Accordingly, fee forecasts are provisional and may be revised once final pension cost estimates for 2026/27 are available.

Comments are due by 18 May 2026.

## **BaFin issues general decree on post-trade transparency for German sovereign debt securities**

The German Federal Financial Supervisory Authority (BaFin) has issued a [general decree](#) (Allgemeinverfügung) concerning post-trade transparency requirements for German sovereign debt securities.

This general decree is designed to facilitate trading in sovereign debt securities of the Federal Republic of Germany for market participants by granting a deferral of post-trade transparency obligations. Specifically, it allows the volume of individual transactions in German sovereign debt instruments of Group 1 pursuant to Annex III, Table 2.2 of Commission Delegated Regulation (EU) 2017/583 (RTS 2), in the case of transactions of Category 1 (medium-sized transactions in liquid instruments) pursuant to

Annex III, Table 2.6 RTS 2, to be published by the end of the trading day, rather than within 15 minutes of execution.

This measure is adopted under Article 11(3) MiFIR and seeks to strike a balance between the transparency requirements imposed by MiFIR and the interests of liquidity providers in avoiding undue risks associated with their transactions. Additionally, it aims to prevent false or negative impacts on the liquidity of German sovereign debt instruments and to support a consistent level of transparency across the EU.

The general decree enters into force on 4 May 2026 and may be revoked at any time with future effect by BaFin.

### **BaFin consults on implementation of EBA guidelines on ADC exposures to residential property under CRR**

BaFin has launched a [consultation](#) on a draft circular aimed at incorporating the EBA guidelines (EBA/GL/2025/03) on ADC exposures to residential property under Article 126a CRR into its administrative practice.

ADC exposures refer to exposures to corporates or special purpose entities (SPVs) financing any land acquisition for development and construction purposes, or financing development and construction of any residential or commercial immovable property. Under the CRR, they form a separate category of exposures.

Under Article 126a(3) CRR, the EBA is mandated to specify the terms related to the credit risk reducing conditions that must be met to apply the 100% risk weight for ADC exposures to residential property.

The draft circular does not impose any additional requirements on market participants.

Comments are due by 5 May 2026.

### **BaFin consults on draft circular on proportionate retail diversification methods under CRR**

BaFin has initiated a consultation on a [draft circular](#) on specifying proportionate retail diversification methods under Article 123(1) CRR.

The purpose of the circular is to incorporate the EBA guidelines on proportionate retail diversification methods under Article 123(1) CRR into BaFin's administrative practice. The draft circular does not introduce any additional requirements for market participants beyond those set out in the EBA guidelines.

Comments are due by 30 April 2026.

### **Polish Ministry of Finance and Economy publishes draft amendment concerning the development of investment funds**

The Ministry of Finance and Economy has published a [draft bill](#) amending certain acts of law in connection with the development of investment funds.

The draft bill:

- creates the possibility in Poland for exchange-traded funds (ETFs) to operate under the Undertaking for Collective Investment in

Transferable Securities (UCITS) formula as open-ended investment funds whose participation units are financial instruments admitted to trading on a stock exchange;

- introduces the possibility of issuing new classes of participation units within existing open-ended and specialist investment funds, which may be listed on a stock exchange; and
- establishes the Qualified Investment Fund as a new category of alternative investment fund.

The draft bill has been submitted for public consultation.

### **Companies Registry publishes revised guidelines on licensing conditions of money lenders' licence**

The Companies Registry has published [revised guidelines](#) on licensing conditions of money lenders' licences. The guidelines have been revised to address the issue of excessive borrowing, particularly unsecured personal loans among low-income earners, and to better safeguard public interest.

With effect from 1 August 2026, the revised guidelines impose the following licensing conditions on all money lenders' licences:

- the introduction of an additional licensing condition imposing a debt servicing ratio cap on unsecured personal loans extended to low-income earners; and
- revisions to two existing licensing conditions to prohibit the money lenders from requesting borrowers to provide loan referees in loan applications and strengthen the regulation over money-lending advertisements.

### **HKEX consults on accelerated settlement for Hong Kong cash market**

The Hong Kong Exchanges and Clearing Limited (HKEX) has published a [consultation paper](#) on accelerated settlement for the Hong Kong cash market. The consultation sets out the HKEX's proposed operational model to shorten the settlement cycle for the Hong Kong's cash market to T+1 from the current T+2.

Under the consultation, the HKEX proposes amendments to the existing operating model covering the cash market trade lifecycle, while confirming that the trade execution arrangements will remain unchanged. In light of the accelerated post trade operation timeline, the HKEX also proposes to extend service windows for settlement-related activities such as settlement instruction input and matching, providing participants with greater flexibility to complete their post trade processing ahead of settlement. The existing clearing risk management framework will continue to apply.

The HKEX notes that a shorter settlement cycle will require adjustments across various downstream processes and related market activities. Accordingly, the consultation seeks market views on how such processes can be adjusted.

Subject to market readiness and regulatory approval, the transition to a T+1 settlement cycle in the cash market is intended to take place in the fourth quarter of 2027. In view of the indicative timeline, market

participants are encouraged to begin assessing their operational readiness, systems and processes as soon as practicable.

Comments on the consultation are due by 18 May 2026.

### **HKEX concludes consultation on proposed amendments to structured products listing framework**

The Stock Exchange of Hong Kong Limited (SEHK), a wholly-owned subsidiary of HKEX, has published the [conclusions](#) to its September 2025 consultation on proposed amendments to Chapter 15A of the rules governing the listing of structured products on the SEHK.

After considering respondents' feedback, the SEHK has decided to adopt the consultation proposals with modifications and clarifications as set out in chapter three of the consultation conclusions paper.

The Listing Rule amendments relating to the below product requirements come into effect on 1 May 2026:

- the minimum issue price of derivative warrants will be lowered to HKD 0.15 from HKD 0.25. The minimum issue price requirements for callable bull bear contracts will be removed;
- the minimum market capitalisation at issuance for derivative warrants and callable bull bear contracts will be lowered to HKD 6 million from HKD 10 million; and
- emulation issues must have product terms identical to existing issues other than issue price and issue size.

The remaining Listing Rule amendments come into effect on 1 July 2026. Existing issuers and guarantors will have until (and including) 30 June 2027 to comply with the new issuer eligibility requirements and the related disclosure requirements and ongoing obligations. Any new applicant who applies to become an eligible issuer on or after 1 July 2026 will be required to comply fully with the new eligibility requirements and will not be subject to the transitional period.

The SEHK has indicated that it will publish updated guidance to assist issuers' compliance with the new requirements.

### **SFC announces new regulatory framework to allow secondary trading of tokenised SFC-authorized investment products**

The Securities and Futures Commission (SFC) has issued a [circular](#) on secondary trading of tokenised SFC-authorized investment products. The circular sets out the requirements under which the SFC would consider allowing secondary trading of tokenised SFC-authorized investment products (tokenised products) by the public in Hong Kong.

The SFC's new guidance aims primarily to facilitate secondary trading of tokenised SFC-authorized open-ended funds on SFC-licensed virtual asset trading platforms (VATPs). To address the liquidity and investor protection issues of secondary trading of tokenised open-ended funds, and trading beyond regular trading hours of the underlying securities, new measures are built into the framework which are drawn from trading of exchange-traded funds and SFC-licensed VATP infrastructure. The measures cover fair pricing, orderly trading, liquidity provision and disclosure.

The initial batch of products is expected to focus on tokenised money market funds. The SFC has indicated that it will review their operation and consider expanding the product scope in due course. Product issuers and intermediaries, including SFC-licensed VATPs, are encouraged to consult or notify the SFC in advance in relation to activities undertaken pursuant to the new regulatory framework.

The SFC has also [revised](#) its existing circular on tokenisation of SFC- authorised investment products to align it with the requirements set out under the new regulatory framework.

## **RECENT CLIFFORD CHANCE BRIEFINGS**

### **Artificial intelligence in 2026 – our top ten trends to watch**

Existential threats, safety and governance and the economic and societal impact of AI have been the focus of the global AI summits to-date. As the torch passes to Geneva for 2027, will the spotlight shift to the practical steps that countries, regulators and businesses need to take to convert aspirations into operational reality and manage risks? That's the focus on the ground, and the key for 2026.

This briefing paper spotlights trends impacting AI across ten key areas.

[https://www.cliffordchance.com/insights/thought\\_leadership/trends/2026/artificial-intelligence-in-2026--our-top-ten-trends-to-watch.html](https://www.cliffordchance.com/insights/thought_leadership/trends/2026/artificial-intelligence-in-2026--our-top-ten-trends-to-watch.html)

### **AI, cyber and ESG – where financial services risk is heading**

As financial institutions face another year of regulatory, technological and geopolitical change, we explore three of the key areas that boards need to focus on now: AI, cyber and ESG. How is AI being implemented and what are the emerging legal and operational risks? Are organisations fully prepared for cyber threats, and how do they respond to cross-border incidents? How do firms navigate political divergence, shifting regulation and growing litigation around ESG issues?

This briefing paper sets out the key takeaways.

[https://www.cliffordchance.com/insights/thought\\_leadership/ai--cyber-and-esg--where-financial-services-risk-is-heading.html](https://www.cliffordchance.com/insights/thought_leadership/ai--cyber-and-esg--where-financial-services-risk-is-heading.html)

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