Clifford Chance

# INTERNATIONAL REGULATORY UPDATE:
## 8 – 12 June 2026

*Clifford Chance's International Regulatory Update is a weekly digest of significant regulatory developments, drawing on our daily content from our Alerter: Finance Industry service.*

**To request a subscription to our Alerter: Finance Industry service, please subscribe to our Client Portal, where you can also request access to the Financial Markets Toolkit and subscribe to publications, insights and events.**


If you would like to know more about the subjects covered in this publication or our services, please contact:

**International Regulatory Group Contacts**

Marc Benzler +49 69 7199 3304

Caroline Dawson +44 207006 4355

Steven Gatti +1 202 912 5095

Rocky Mui +852 2826 3481

Lena Ng +65 6410 2215

Gareth Old +1 212 878 8539

**International Regulatory Update Editor**

Joachim Richter +44 (0)20 7006 2503

To email one of the above, please use firstname.lastname @cliffordchance.com

Clifford Chance LLP,
10 Upper Bank Street,
London, E14 5JJ, UK
www.cliffordchance.com


- **EBA launches discussion paper on Pillar 3 Data Hub for small banks**
- **EBA launches early consultation on simplified EU-wide stress test**
- **FSB consults on sound practices for responsible AI adoption**
- **IOSCO publishes recommendations for secondary market disclosures**
- **UK Government launches call for evidence for access to banking services review**
- **Money Laundering and Terrorist Financing (Amendment) Regulations 2026 made**
- **Mortgage rule review: FCA consults on supporting first-time buyers and underserved consumers**
- **FCA provides update on reforms to UK Money Market Fund Regulation**
- **FCA publishes Emerging Technology Horizon Scan 2026**
- **Motor finance: FCA publishes further information for firms on compensation scheme**
- **Decree on transfer of ownership and pledge over digital assets published**
- **Bafin repeals MIA Circular**
- **SFC expands range of listed structured funds to leveraged and inverse products referencing Hong Kong-listed single stocks**
- **SFC and HKMA conclude joint consultation on standard calculation periods under OTC derivative clearing rules**
- **MAS responds to consultation feedback on proposed amendments to regulatory framework for large exposures of Singapore-incorporated banks and merchant banks**
- **MAS consults on proposed amendments to notices on technology risk management**
- **Australian Treasury consults on review of tax and corporate whistleblowing frameworks in Australia**

- **Recent Clifford Chance briefings: FSA letter to football clubs on risks of partnering with unregulated digital asset companies. Follow this link to the briefings section.**

## EBA launches discussion paper on Pillar 3 Data Hub for small banks

The European Banking Authority (EBA) has published a discussion paper which proposes a simplified process for small and non-complex institutions (SNCIs) when implementing the Pillar 3 Data Hub. The objective is to gather stakeholder feedback on a streamlined approach under which the EBA would collect and perform the calculation and publication of Pillar 3 disclosures for SNCIs.

Comments are due by 20 July 2026. The EBA will hold a public hearing on 1 July 2026.

## EBA launches early consultation on simplified EU-wide stress test

The EBA has published the draft methodology, templates and template guidance for the 2027 EU-wide stress test, launching an industry consultation at an earlier stage than for previous exercises to facilitate banks' preparedness.

The new methodology is intended to introduce significant simplifications, cutting required data points by 55% compared with the previous EU-wide stress test, primarily by drawing on harmonised supervisory reporting. The EBA envisages that these changes will reduce duplication, lower administrative burden and improve data consistency and quality for supervisors.

The EBA has also introduced climate risk into the EU-wide stress test for the first time, incorporating transition and physical risk alongside macro-financial shocks in a dedicated module. While climate risks will not affect the core stress test results at this stage, the EBA regards this as an important step towards embedding climate considerations into prudential supervision.

The EBA plans to hold a series of workshops to respond to industry feedback.

## FSB consults on sound practices for responsible AI adoption

The Financial Stability Board (FSB) has published a consultation report on sound practices for the responsible adoption of AI by financial institutions. The report addresses AI-specific risks relevant to financial institutions and financial stability. It sets out 12 practices covering:

- organisation-wide AI governance;
- AI risk management across development and deployment; and
- AI-related cyber, ICT and third-party risks.

The practices are intended as a reference for boards and senior management. They do not establish an international standard, prescribe an approach to AI adoption or direct technology choices. The report does

not specifically address frontier AI risks, although some practices may be relevant.

Comments are due by 22 July 2026. The final report is expected to be published in October 2026.

## IOSCO publishes recommendations for secondary market disclosures

The International Organization of Securities Commissions (IOSCO) has published a final report on recommendations for secondary market disclosure.

The report consolidates and updates the existing IOSCO guidance and is intended to help regulators review their existing disclosure frameworks. It does not introduce new binding requirements; rather, it supports a more consistent application of Principle 16 of IOSCO's Objectives and Principles of Securities Regulation, which states there should be full, accurate and timely disclosure of financial results, risk and other information which is material to investors' decisions.

The report is structured around three main areas:

- disclosure principles, including materiality, timing, frequency and access to information;
- content of disclosure, covering both periodic reporting and event-driven disclosures, depending on the nature of the information; and
- governance and internal controls, focusing on the systems that support accurate, timely and reliable reporting.

## UK Government launches call for evidence for access to banking services review

HM Treasury has opened a call for evidence for the independent review into access to banking services. The independent review will gather evidence on changes to in-person banking services and the impact of this on consumers.

The call for evidence is intended to:

- identify which in-person banking services are essential or important to customers;
- understand which groups of customers need access to in-person banking services;
- assess whether declining access to in-person banking services is causing any detriment to consumers, and if so the extent and nature of this detriment; and
- examine the current provision and future trajectory of in-person banking services in the UK.

Responses are due by 20 July 2026.

## Money Laundering and Terrorist Financing (Amendment) Regulations 2026 made

The Money Laundering and Terrorist Financing (Amendment) Regulations 2026 (SI 2026/621) have been made.

The Regulations amend the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) and related legislation. In particular, they:

- refine customer due diligence (CDD), enhanced due diligence (EDD) and additional due diligence (ADD) requirements, including for unusually complex or unusually large transactions, high risk jurisdictions and pooled client accounts and cryptoasset correspondent relationships;
- update currency thresholds from euros to sterling;
- strengthen the regime for cryptoasset businesses in aligning it with the new financial services regulatory regime for cryptoassets established under the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102);
- reform the Trust Registration Service (TRS) requirements to close identified gaps, while introducing a de minimis exemption for low-value, low-risk trusts;
- bring the sale of 'off-the-shelf' firms within the scope of regulated trust or company service provider (TCSP) activity;
- clarify that a firm is excluded from the definition of an 'insurance undertaking' to the extent it is carrying out or effecting a contract of reinsurance; and
- enhance information-sharing and cooperation between AML/CTF supervisors and other public bodies.

## Mortgage rule review: FCA consults on supporting first-time buyers and underserved consumers

The Financial Conduct Authority (FCA) has published a consultation paper (CP26/18) on proposed mortgage rule changes intended to give more people – including those with variable incomes, older borrowers, and those with past credit difficulties – better access to suitable mortgages.

CP26/18 proposes changes in the following areas:

- interest-only and part-and-part mortgages;
- retirement interest-only (RIO) mortgages;
- variable and irregular income;
- foreign currency loans;
- credit impaired; and
- bridging loans.

Comments are due by 28 July 2026.

## FCA provides update on reforms to UK Money Market Fund Regulation

The FCA has issued a statement setting out its next steps on issuing new rules and guidance on money market funds (MMFs).

This follows its December 2023 consultation (CP23/28), which proposed an increase in the minimum liquid asset requirement for all MMFs, raising daily liquid assets (DLA) and weekly liquid assets (WLA) levels to 15% and

50% of their assets respectively, and the removal of the requirement for certain MMFs linking the levels of liquid assets with the need for the MMF manager to impose tools that could limit investors' ability to quickly recover their money without unanticipated losses ('delinking').

The FCA notes that respondents to CP23/28 broadly supported most of the proposals and there was almost universal support for delinking, but that a significant majority of responses raised questions over the proposed increase in MMF liquidity levels.

Under updated proposals, the FCA is now planning to introduce a requirement that all MMFs hold sufficient liquidity for adequate resilience. It intends to retain in rules the current minimum WLA requirements as set out in UK MMFR. However, it intends to set out in guidance a strong supervisory expectation that stable net asset value (NAV) MMFs will need to hold 40% WLA and variable NAV MMFs will need to hold 20% WLA in order to meet the new resilience requirement.

Given this modified approach to WLA compared to what had been proposed in CP23/28, the FCA expects that MMFs' ability to be temporarily below the 40% / 20% WLA levels should be used only to meet redemptions or for reasons that are beyond the manager's control. The FCA does not expect MMFs to regularly hold lower levels of WLA at quarter and year-end. However, it is planning to retain the current minimum DLA requirements and does not plan new guidance on DLA levels.

The Government has set out its expectation that legislation for the repeal of the MMFR will be introduced by the end of 2026 and the FCA plans to make its new MMF rules to this timescale.

## FCA publishes Emerging Technology Horizon Scan 2026

The FCA has published its first Technology Horizon Scan, setting out scenarios in which emerging technologies could combine to reshape outcomes for consumers, firms and markets.

The FCA's findings outline the opportunities and risks around artificial intelligence (AI), observing that while AI tools may empower consumers in their financial decisions, there are concerns around autonomy, digital exclusion and consumer protection. The report also addresses the evolution of synthetic crime, cautioning that while AI advances are improving firms' abilities to detect vulnerabilities, advancements in synthetic media – including audio and video deepfakes – could expose customers and firms to new forms of fraud and deception.

The FCA also identifies developments in programmable finance as a potential driver of growth, with the capacity to reshape financial infrastructure and enable new markets as protocol-based infrastructure moves from pilots to national strategies – including tokenisation, smart contracts and shared ledgers.

## Motor finance: FCA publishes further information for firms on compensation scheme

The FCA has published a document providing further information on a number of aspects of the Motor Finance Compensation Scheme. The information in the document is based on queries the FCA has received and is intended to answer those relevant for a broader audience.

In particular, it covers:

- the scope and application of the scheme;
- complaints already with the Financial Ombudsman;
- the Financial Ombudsman's charging arrangements for scheme cases and cases where no redress is due;
- relevant arrangements and exceptions;
- brokers and representatives;
- consumer communications and scheme steps;
- liability;
- redress calculations; and supervision and reporting.

## Decree on transfer of ownership and pledge over digital assets published

A decree governing the transfer of ownership and the pledge of digital assets has been published in the Official Journal. The decree supplements the Ordinance of 15 October 2024 incorporating the Markets in Cryptoassets Regulation (MiCA) into French law, notably by enabling security interests over cryptoassets.

In particular, it clarifies the transfer of ownership of cryptoassets, which occurs once the registration on the DLT becomes irreversible under the rules of the relevant consensus. However, where such cryptoassets are held by a custodian, the transfer is deemed to occur upon their inscription in the service provider's register of positions.

The decree further specifies: (i) the content of the pledge declaration, and (ii) technical requirements for the use of smart contracts for the pledge of cryptoassets. Such smart contracts are required to ensure integrity, traceability, data retention and resilience, as well as direct or indirect identification of the owner of the digital assets.

The decree entered into force on 30 May 2026.

## Bafin repeals MIA Circular

The German Federal Financial Supervisory Authority (Bafin) has repealed its Circular 09/2019 (A) on information reporting for resolution planning (MIA Circular).

The MIA Circular previously outlined Bafin's approach to the implementing technical standards (ITS) set out in Commission Implementing Regulation (EU) 2018/1624, which laid down procedures, standard forms, and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms pursuant to the Bank Recovery and Resolution Directive (2014/59/EU). As the Implementing Regulation was repealed at the end of 2025, the MIA Circular has become obsolete.

The now-repealed MIA Circular required Bafin to notify all less significant institutions (LSIs) and EU parent undertakings by 31 December each year regarding the information to be submitted in the following year. LSIs and EU parent undertakings that did not receive such notification could assume that they were not required to provide the standard forms.

The new Commission Implementing Regulation (EU) 2025/2303 entered into force on 30 December 2025. The reporting requirements have been revised so that entities not intended for resolution (so-called liquidation entities) and that are subject to simplified obligations are no longer required to report.

Nevertheless, Bafin will continue to inform all LSIs and EU parent undertakings under its direct supervision in a timely manner regarding applicable reporting requirements.

## SFC expands range of listed structured funds to leveraged and inverse products referencing Hong Kong-listed single stocks

The Securities and Futures Commission (SFC) has issued a revised circular to broaden the range of listed structured funds to include single stock leveraged and inverse (L&I) products referencing highly liquid Hong Kong-listed mega-cap stocks. The initiative is intended to expand retail investors' tools to customise investment exposure and address issuers' growing interest in launching products with Hong Kong equities as underlying. The expanded scope excludes shares of companies which are dually listed in Hong Kong and Mainland China, as well as shares listed on any Mainland China exchanges.

The SFC has also strengthened investor safeguards in the revised circular; for all L&I products, product providers will now be explicitly required to continuously monitor their products' capacities to support the targeted leveraged or inverse exposure, maintain a reasonable buffer, and promptly notify the SFC of any potential issues disrupting product operations. For single stock L&I products, the revised circular also introduces enhanced eligibility criteria for product providers, together with requirements to establish robust business continuity plans to mitigate heightened operational risks for such products.

In addition, the SFC requires automatic trading suspension for single stock L&I products referencing Hong Kong-listed stocks if their underlying shares are halted or suspended from trading. Other safeguards applicable to these complex products continue to apply, including a maximum leverage factor of 2x to -2x.

The revised circular supersedes the SFC's Circular on L&I products and the related supplemental circular both dated 22 May 2020.

## SFC and HKMA conclude joint consultation on standard calculation periods under OTC derivative clearing rules

The SFC and the Hong Kong Monetary Authority (HKMA) have published their joint consultation conclusions on standardising the calculation periods for each year under the Securities and Futures (OTC Derivative Transactions – Clearing and Record Keeping Obligations and Designation of Central Counterparties) Rules (Clearing Rules) for the over-the-counter (OTC) derivatives regulatory regime.

The SFC and the HKMA consulted the public in early 2026. Under the proposed approach the Clearing Rules will be amended to designate two calendar periods, i.e., 1 March to 31 May and 1 September to 30 November, in each year as calculation periods. The proposal is intended to improve on the current approach where the existing list of calculation periods specified in the Clearing Rules needs to be updated by legislative

amendments regularly to facilitate the central clearing of OTC derivative transactions.

In view of broad market support, the SFC and the HKMA will proceed with the legislative process to introduce the proposed amendments to the Clearing Rules, and aim to bring the amendments into effect on 1 March 2027, i.e., the starting date of the proposed new series of calculation periods.

## MAS responds to consultation feedback on proposed amendments to regulatory framework for large exposures of Singapore-incorporated banks and merchant banks

The Monetary Authority of Singapore (MAS) has published its responses to the feedback it received on its July 2025 consultation on proposed amendments to the regulatory framework for large exposures of Singapore-incorporated banks and merchant banks.

Amongst other things, the MAS has confirmed that:

- all exposures captured under the risk-based capital framework – including term deposits held with banks – that are exposed to default risk and could threaten a merchant bank's solvency will fall within the scope of the large exposures limit (LEL);
- the MAS will implement the LEL set as 25% of Tier 1 capital. In periods of heightened market volatility, merchant banks are expected to actively manage and limit trading book exposures to avoid undue concentration to any trading counterparty;
- interbank exposures will generally be subject to the LEL. However, intraday interbank exposures that fail to settle within the same day will be exempted for up to two business days from the original settlement date to avoid disrupting interbank payment and settlement processes. Other interbank exposures which fail to settle by the settlement date will remain subject to the LEL, regardless of whether such exposures are settled within two business days from the settlement date;
- the MAS will allow a merchant bank to apply a higher LEL of up to 100% of its Tier 1 capital for the aggregate of its exposure to the single counterparty group, provided that its aggregate exposure to all persons within the group (other than banks and merchant banks rated at least AA-) does not exceed 25% of its Tier 1 capital. This is further subject to the following conditions being met: (i) the merchant bank and, where applicable, the banking group must not have a Tier 1 capital exceeding SGD 500 million; and (ii) each holding company of the merchant bank must not have a Tier 1 capital at the solo level exceeding SGD 500 million (or its equivalent in any other currency), or, where any holding company does not maintain or report Tier 1 capital at the solo level, the total equity of that holding company must not exceed SGD 500 million (or its equivalent in any other currency);
- a merchant bank will be required to notify the MAS immediately upon discovery of a breach of the LEL, following which, where appropriate, the MAS will engage with the merchant bank on the effects of the breach and necessary corrective actions;
- consistent with the Basel large exposures framework, merchant banks must establish internal limits to monitor exposures to systemically important financial institutions to mitigate interbank contagion risk;

- the MAS will introduce a higher threshold of 10% of Tier 1 capital above which merchant banks are required to conduct due diligence to identify persons who are economically interdependent with a counterparty for aggregation purposes; and
- the scope of exempt exposures for merchant banks and banks will be expanded.

To provide merchant banks additional time to make the necessary system enhancements and to manage their exposures in compliance with the stricter LEL, the MAS will defer the implementation date of the revisions to the large exposures framework to 1 June 2027, twelve months from the issuance of the revised Notice 1012. Merchant banks that encounter specific constraints in reducing certain exposures to specific counterparties or groups of connected counterparties and require a longer time beyond the implementation date to comply with the LEL may submit a written request to the MAS with justification.

For banks, the revised Notice 656 will take effect on 1 July 2026

## MAS consults on proposed amendments to notices on technology risk management

The MAS has published a consultation paper seeking feedback on proposed amendments to its existing notices to financial institutions (FIs) on technology risk management. The proposed amendments are intended to reinforce the importance of the stipulated risk management measures and strengthen FIs' technology resilience in light of increasing digitalisation and the evolving risk landscape. The relevant notices are FSM-N03, FSM-N05, FSM-N07, FSM-N09, FSM-N11, FSM-N13, FSM-N17, FSM-N19, FSM-N21, FSM-N23 and FSM-N25.

The proposed changes to the technology risks management notices include requiring FIs to:

- record the unscheduled downtime for each critical system, including periods of partial or intermittent disruption;
- maintain a comprehensive and up-to-date inventory of all IT assets. The minimum information regarding such IT assets are prescribed in a new Annex A to each notice;
- perform system recovery testing for each critical system at least once every 12 months to validate their ability to meet recovery time objectives. The test plan, how the testing was conducted, and test results must also be recorded;
- establish and maintain a framework to conduct regular IT risk assessments in respect of every system the disruption of which may affect the FI's operations, identifying threats and vulnerabilities and risk mitigation measures and recording them in a register;
- establish and maintain key risk indicators to monitor the risks identified and assess the effectiveness of mitigation measures;
- establish and maintain frameworks to: (i) ensure the capacity of their critical systems; (ii) continuously monitor all crucial systems; and (iii) assess the risks arising from any proposed change to a system;
- implement effective controls to prevent unauthorised changes to any system;

- ensure the availability of data supporting relevant business services, and maintain an immutable or offline backup of such data for data recovery in the event the data is corrupted, tampered with, or made inaccessible, so as to enable timely and reliable resumption of its services; and
- establish and maintain an incident management framework that provides for the prescribed minimum requirements.

The MAS has proposed a 12-month transition period from the date of publication of the finalised notices.

Comments are due by 31 July 2026.

## Australian Treasury consults on review of tax and corporate whistleblowing frameworks in Australia

The Australian Treasury has launched a consultation seeking feedback on its review of tax and corporate whistleblowing regimes in Australia.

The review will assess whether these regimes are operating effectively to protect whistleblowers and encourage compliance with relevant laws. In particular, it will examine the whistleblowing frameworks under the Corporations Act 2001 and the Taxation Administration Act 1953, and consider whether they remain fit for purpose. This will include consideration of:

- the scope, coverage and operation of the regimes;
- whistleblowers' access to justice;
- the administration and regulatory oversight of the regimes;
- the effectiveness of the regimes in incentivising whistleblowing disclosures and disincentivising tax and corporate misconduct; and
- the interaction and consistency of these regimes with other whistleblowing frameworks.

While the review will examine how the tax and corporate sector whistleblowing regimes interact with other regimes, it will not seek views on, nor make recommendations in respect of, the operation of other whistleblowing regimes, including the Commonwealth public sector whistleblowing framework in the Public Interest Disclosure Act 2013.

The consultation paper also sets out the requirement for corporations to maintain a compliant whistleblowing policy, the suitability of information available to potential whistleblowers, and whistleblowing rewards schemes.

The review will result in a written report to be tabled in each House of Parliament, as required under section 1317AK of the Corporations Act 2001.

Comments on the consultation are due by 29 July 2026.

# Recent Clifford Chance briefings

## Financial services regulator warns of risks of partnerships between football clubs and unregulated digital asset companies

The Financial Conduct Authority (FCA) has issued a letter to Premier League clubs, warning of the significant legal, operational, and reputational risks associated with sponsorship arrangements involving unauthorised cryptocurrency exchanges and trading platforms. While football clubs themselves are not regulated by the FCA, the regulator's intervention is the latest indication of a heightened focus on the intersection between football and financial services, particularly where clubs may inadvertently facilitate unlawful activity or expose themselves to criminal liability.

This briefing paper discusses the FCA's position and the key legal risks for football clubs.

https://www.cliffordchance.com/briefings/2026/06/financial-services-regulator-warns-of-risks-of-partnership-between-football-clubs-and-unregulated-digital-asset-companies.html