

INTERNATIONAL REGULATORY UPDATE: 29 June – 03 July 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

- **SRB introduces new procedure for faster approval of early redemptions of MREL instruments**
- **EBA revises product oversight and governance guidelines**
- **MiCA: AMLA publishes advisory note on money laundering risks**
- **MiCA: EBA consults on methodology for setting fines**
- **AMLA consults on reporting suspicions and providing transaction records**
- **ESMA publishes final report on simplifying transaction reporting**
- **ESMA issues statement reminding firms of obligations under binary option measures**
- **EBA publishes DGSD3 implementation roadmap**
- **CRR: EBA publishes results of Pillar 3 disclosures review**
- **ESG Ratings Regulation: ESMA publishes statement on publication of ESG ratings by third parties**
- **Taxonomy Regulation: ESAs consult on KPIs and review of Disclosures Delegated Act**
- **FCA sets out final policy for cryptoasset regulatory regime and joint approach with BoE on regulation of systemic stablecoin issuers**
- **FCA consults on scope and proportionality of Consumer Duty**
- **FCA consults on simplified investment disclosure regime**
- **FCA issues statement on partial suspension of motor finance scheme**
- **FCA sets out regulatory fee and levy rates for 2026/27**
- **Draft Overseas Prudential Requirements Regime (Credit Institutions and Investment Firms) Regulations 2026 laid**
- **BaFin publishes revised MaRisk circular following 9th amendment**
- **MAS updates information paper on good disclosure practices for retail ESG funds**

- **FSTB and HKMA to further adopt distributed ledger technology in Hong Kong fixed income market**
- **Recent Clifford Chance briefings: Implementing Basel 3 final (EU, UK and US) — impact on undrawn credit facilities. Follow this link to the briefings section.**

SRB introduces new procedure for faster approval of early redemptions of MREL instruments

The Single Resolution Board (SRB) has [introduced](#) a new procedure to speed up authorisations of early redemptions of eligible liabilities instruments. The new process will apply from 1 July 2026. Eligible applications will be authorised within a maximum of one month.

EBA revises product oversight and governance guidelines

The European Banking Authority (EBA) has published [revised guidelines](#) on product oversight and governance (POG) for retail banking products. The revised guidelines are intended to clarify how the POG requirements apply to products with ESG features when they are offered or sold to consumers and seek to address greenwashing risks. They aim to ensure strong standards for ESG-related retail products and reduce the risk of consumers being misled or sold unsuitable products.

The guidelines will apply from 11 January 2027.

MiCA: AMLA publishes advisory note on money laundering risks

The Anti-Money Laundering Authority (AMLA) has published an [advisory note](#) on the money laundering and terrorist financing (ML/TF) risks linked to the end of the Markets in Cryptoassets Regulation (MiCA) transitional period on 1 July 2026.

After the end of the transitional period, firms must be authorised as MiCA-compliant cryptoasset service providers (CASPs) in order to continue providing cryptoasset services in the EU.

The note sets out a list of ML/TF risks and identifies mitigating measures that can be taken by the cryptoasset sector, AML/CFT supervisors and financial intelligence units (FIUs) to address these risks.

MiCA: EBA consults on methodology for setting fines

The EBA has published a [consultation paper](#) setting out its proposed methodology for determining fines in its supervisory role under MiCA. The methodology is intended to promote a consistent, proportionate and transparent approach to fines imposed on issuers of significant cryptoassets.

Comments are due by 28 September 2026.

AMLA consults on reporting suspicions and providing transaction records

The AMLA has launched a [consultation](#) on draft implementing technical standards (ITS) on the format for reporting suspicions and providing transaction records. Currently, reporting formats vary across Member States, creating difficulties for cross-border companies and Financial Intelligence Units (FIUs). The proposed templates are intended to harmonise reporting across Member States while allowing for sector-specific requirements.

A public hearing will be held on 9 September 2026. Comments are due by 20 September 2026.

ESMA publishes final report on simplifying transaction reporting

The European Securities and Markets Authority (ESMA) has published its [final report](#) on simplifying financial transaction reporting, following its June 2025 call for evidence. The report identifies the primary drivers of cost and complexity as uncoordinated regulatory changes, duplicated reporting and dual-sided reconciliation. In the long-term, ESMA recommends developing a single integrated transaction reporting framework across MiFIR, EMIR and SFTR, based on a 'report once' principle. In the meantime, short-term intermediate measures to provide relief include:

- reduction of back-reporting;
- targeted exemptions from MiFIR RTS 22(5);
- deprioritising targeted MiFIR fields;
- adjustment of EMIR reconciliation fields;
- simplification of SFTR reporting settlement fails; and
- simplification of errors and omissions notification.

Medium term measures include revising dual-sided reporting and streamlining the intragroup reporting exemption procedures.

ESMA's proposed 'report once' approach requires targeted legislative changes and phased implementation, supported by industry specific technical input on the coordinated development of reporting templates, data standards and streamlined infrastructure.

ESMA issues statement reminding firms of obligations under binary option measures

ESMA has published a [statement](#) reminding firms of their obligations to assess whether newly offered products fall within the scope of existing product intervention measures on binary options, in light of the growing popularity of prediction markets and increasing retail participation.

The statement notes that, depending on the event question, event contracts may qualify as financial instruments or, alternatively, as bets under national gambling legislation. Where event contracts qualify as financial instruments, they are classed as derivatives and fall within the scope of existing national product intervention measures on binary options, which prohibit their marketing, distribution or sale to retail clients.

ESMA has also reminded firms that EU distribution of such products requires investment firm authorisation, even where those products are offered solely to non-retail clients.

EBA publishes DGSD3 implementation roadmap

The EBA has published a [roadmap](#) detailing how it will deliver its mandates under the revised Deposit Guarantee Schemes Directive (DGSD3).

The roadmap is intended to give stakeholders clarity on sequencing ahead of the Directive's application in May 2028, and forms part of the EBA's broader contribution to the EU's bank crisis management framework. The measures aim to align depositor protection standards across the EU and ensure that bank failures can be managed without threatening financial stability.

To support its implementation, the EBA plans to develop 12 regulatory products – technical standards and guidelines – focusing on improving depositor information on rights and protection, ensuring faster repayments in domestic and cross-border bank failures, strengthening cooperation between national deposit guarantee schemes and relevant authorities, and enhancing stress-testing frameworks for crisis preparedness.

CRR: EBA publishes results of Pillar 3 disclosures review

The EBA has published the [results](#) of its targeted peer review on the supervision of compliance with the Capital Requirements Regulation (CRR) and the Bank Recovery and Resolution Directive (BRRD) provisions aiming to facilitate market discipline through bank disclosure (Pillar 3).

The peer review assessed four areas:

- integration of Pillar 3 requirements into supervisory frameworks, including manuals, methodologies, and internal guidance;
- effectiveness of supervisory arrangements for reviewing institutions' disclosures and related governance frameworks;
- robustness of processes used to assess institutions' Pillar 3 disclosures; and
- supervision and enforcement of institutions' compliance with Pillar 3 requirements.

Findings from the peer review suggest that most competent authorities have fully or largely embedded Pillar 3 requirements into their supervisory frameworks. Four authorities were identified as having implemented the requirements to a very high standard, however, some differences remained:

- one authority was rated 'partially applied' across all benchmarks although corrective actions are already underway to strengthen supervisory tools and processes; and
- one authority received mostly 'not applied' ratings, due to the absence of formal methodologies and processes.

ESG Ratings Regulation: ESMA publishes statement on publication of ESG ratings by third parties

ESMA has published a [statement](#) on the publication or distribution of ESG ratings by third parties pending authorisation of ESG rating providers under the ESG Ratings Regulation.

The ESG Ratings Regulation, which applies from 2 July 2026, requires ESG rating providers who are issuing and publishing or distributing ESG ratings in the EU to apply to ESMA for authorisation by 2 November 2026 and to notify ESMA of their intention to do so by 2 August 2026. Small ESG ratings providers that wish to continue operating in the EU shall notify ESMA by 2 November 2026 of their intention to benefit from the temporary regime for those providers. Under Article 2(2)(k) of the Regulation, third parties who publish ESG ratings from an authorised rating provider are exempt from the authorisation requirements. ESMA's statement seeks to clarify how it will apply this exemption in the period between the Regulation applying and the authorisation deadline.

The statement notes that, from 2 July 2026, third parties may continue to publish or distribute the ESG ratings of ESG rating providers until ESMA has adopted a decision to grant or refuse the application for authorisation or recognition of the provider, or to register the notifier as a small ESG rating provider. ESMA intends to regularly publish a list of entities that have notified it of their intention to continue operating in the EU after that date.

Taxonomy Regulation: ESAs consult on KPIs and review of Disclosures Delegated Act

The European Supervisory Authorities (ESAs) have each launched consultations (see [ESMA](#), [EBA](#) and [EIOPA](#)) in response to the EU Commission's request for them to develop targeted technical advice on key performance indicators (KPIs) under the Taxonomy Disclosures Delegated Act.

The proposed advice focuses on simplifying and reducing reporting burdens for market participants, while preserving the relevance of disclosures for investors. The consultations set out the ESAs' proposals to:

- limit the fees and commissions KPI to capital-market related activities;
- connect the trading book KPI to market liquidity;
- narrow the 'other services' KPI of investment firms to those considered most relevant;
- align the grandfathering rules with the approach under the EU Green Bond Standard; and
- simplify the disclosure templates by merging or aligning the templates used for disclosing on credit institutions' off-balance sheet asset under management with those used by asset managers.

The consultations also include preliminary advice relating to the development of simple but meaningful rules for disclosing taxonomy KPIs at group level and for subsidiary disclosures, and the consideration of OpEx for the computation of the KPIs of financial institutions.

Comments on all three consultations are due by 12 August 2026.

FCA sets out final policy for cryptoasset regulatory regime and joint approach with BoE on regulation of systemic stablecoin issuers

The Financial Conduct Authority (FCA) has published a [package of policy statements and guidance](#) in relation to the UK's future cryptoasset regulatory regime, which is coming into force on 25 October 2027.

The FCA consulted on its policy across four discussion papers (DP23/4, DP24/4, DP25/1 and CP25/25) and ten consultation papers (CP25/14, CP25/15, CP25/16, CP25/25, CP25/40, CP25/41, CP25/42, CP26/4, CP26/8 and CP26/13) from 2023.

It has now published the following policy statements summarising the feedback to these consultations and setting out its final rules:

- PS26/9 – Cryptoasset admissions, disclosures and market abuse regime;
- PS26/10 – Stablecoin issuance;
- PS26/11 – Regulated cryptoasset activities;
- PS26/12 – A prudential regime for cryptoasset firms, which is accompanied by two new consultations on non-handbook guidance to help firms complete the overall risk assessment under COREPRU and CRYPTOPRU, with comments due by 30 July 2026:
 - GC26/4: COREPRU Guidance Consultation;
 - GC26/5: CRYPTOPRU Guidance Consultation; and
- PS26/13 – Application of the FCA Handbook to cryptoasset activities, which is accompanied by the following finalised guidance:
 - FG26/5 – Application of the Consumer Duty for cryptoasset firms;
 - FG26/6 – Guidance on Cryptoasset Operational Resilience; and
 - FG26/7 – Approach to International cryptoasset firms (ACIF).

In parallel, the Bank of England and the FCA have published their [joint approach](#) to the regulation of systemic stablecoin issuers, clarifying how the dual-regulator model will operate.

The FCA is encouraging firms to prepare now and make use of its pre-application support meetings available from July. Firms can apply for authorisation between 30 September 2026 and 28 February 2027, so they are ready to start or continue to trade under the new regime when it comes into force.

FCA consults on scope and proportionality of Consumer Duty

The FCA has published a consultation paper ([CP26/23](#)) on changes to the scope and proportionality of the Consumer Duty.

The changes are intended to:

- remove business with non-UK customers from the Duty's scope;
- make it clearer where the Duty applies and where it does not;
- clarify when and how firms can rely on each other when they work together in distribution chains, and how they can apply the Duty more proportionately; and

- explain the interaction between the Duty and other product governance rules.

Comments are due by 18 September 2026.

FCA consults on simplified investment disclosure regime

The FCA has published a consultation paper ([CP26/24](#)) on simplifying consumer investment disclosures.

CP26/24 sets out the FCA's proposed changes to align cost disclosure requirements derived from the Markets in Financial Instruments Directive (MiFID) with its consumer composite investments (CCI) regime. The changes are aimed at simplifying and consolidating the disclosure requirements for MiFID, Insurance Distribution Directive (IDD), and non-MiFID investments business. Specifically, the FCA is proposing to:

- align pre-sale presentation of costs under COBS with the disclosure framework for CCIs;
- retain presentation of total cost post-sale, while allowing firms to use CCI cost categories in their regular post-sale reporting;
- remove cumulative effect illustrations;
- embed clearer disclosure of interest rates and fees on cash holdings;
- reduce requirements for business with professional clients; and
- apply the same requirements to MiFID, non-MiFID and IDD business.

Comments are due by 21 August 2026.

FCA issues statement on partial suspension of motor finance scheme

The FCA has published a [statement](#) setting out advice in light of the Upper Tribunal's order suspending parts of the motor finance scheme.

The Upper Tribunal has confirmed it will hear the legal challenges to the motor finance scheme on 14 to 18 December 2026 or 16 to 26 February 2027. It has also made an order suspending parts of the scheme on terms agreed by the FCA with the four commercial parties that have challenged.

The FCA's statement sets out advice for firms on complying with rules which are not suspended, and sets out some contingency planning in the event that the scheme, or parts of it, are quashed. Firms are not required to calculate or pay redress, or send communications about compensation owed under the scheme, in line with the scheme timetable until the Upper Tribunal process concludes.

The statement also sets out what consumers can expect while the legal challenge is ongoing. If the scheme is upheld, the FCA expects payments under it to begin in 2027. If it is overturned and the FCA needs to seek views on a revised scheme, compensation could be delayed until 2028 or beyond.

FCA sets out regulatory fee and levy rates for 2026/27

The FCA has published a policy statement ([PS26/14](#)) setting out its final regulatory fee and levy rates for 2026/27, including feedback on

consultation paper CP26/11. The total fees payable by fee-payers in 2026/27 is GBP 716.5 million.

Draft Overseas Prudential Requirements Regime (Credit Institutions and Investment Firms) Regulations 2026 laid

The [draft Overseas Prudential Requirements Regime \(Credit Institutions and Investment Firms\) Regulations 2026](#) have been laid in Parliament according to the affirmative procedure.

The draft Regulations restate the equivalence provisions that are currently set out in the UK CRR which need to be maintained in legislation in line with the Government's approach to overseas recognition regimes. The draft Regulations:

- restate the existing UK CRR equivalence regimes in legislation as one Overseas Prudential Requirements Regime (OPRR) and preserve the overall scope and effect of existing equivalence regimes;
- preserve existing equivalence decisions by treating them as if they were designations under the new OPRR; and
- extend the scope of the OPRR to include an additional type of exposure, enabling the future recognition of overseas eligible covered bonds where appropriate.

The draft Regulations come into force on 1 January 2027.

BaFin publishes revised MaRisk circular following 9th amendment

The German Federal Financial Supervisory Authority (BaFin) has published its [revised circular](#) (06/2026 (BA)) on minimum requirements for risk management (MaRisk), following consultation on the ninth amendment.

The amendment substantially revises MaRisk. It marks a shift towards principles-based supervision, reduces complexity (from 122 pages to around 80) and gives institutions greater flexibility through expanded and clarified proportionality provisions, particularly for small and very small institutions.

The revised circular distinguishes between very small institutions (total assets (Bilanzsumme) of up to EUR 1 billion), small institutions (Small and Non-Complex Institutions – SNCIs) and other less significant institutions (Less Significant Institutions – LSIs). Significant Institutions – SIs (directly supervised by the European Central Bank) will now fall outside MaRisk entirely.

BaFin expects the new categories to reduce the regulatory burden for 80–85% of institutions, particularly as regards stress testing.

The revision also eases internal reporting: MaRisk now provides that intra-year reports should promptly inform the management board of material developments in key risks, allowing management to decide which sub-reports to update. Small institutions may refer to previous reports where no material changes have occurred in a risk type.

The revision also reflects the EBA guidelines on environmental scenario analysis (EBA/GL/2025/04), addressed in a single paragraph, and its draft revised guidelines on internal governance under Directive 2013/36/EU, currently under consultation (EBA/CP/2025/20).

MAS updates information paper on good disclosure practices for retail ESG funds

The Monetary Authority of Singapore (MAS) has published an [updated version](#) of its information paper on good disclosure practices for retail ESG funds. The observations in the updated information paper draw on thematic inspections conducted by the MAS in 2025, which reviewed selected managers' public disclosures of their ESG funds against their frameworks, practices and controls.

Amongst other things, the updated information paper:

- encourages managers to define ESG-related terms clearly in the context of the ESG fund;
- elaborates on good practices relating to the use of ESG indices and the clear disclosure of how ESG criteria or metrics are used. The calculation methodologies and underlying data used should be disclosed, and managers should disclose not only the measurement objective of ESG criteria or metrics used in the assessment, but also explain how such criteria serve to achieve the ESG fund's investment objectives. Managers are further encouraged to disclose how frequently underlying data, as well as ESG criteria and metrics used, are updated;
- provides that where an ESG fund makes an investment notwithstanding that a minimum ESG rating or score is not met, managers should disclose the alternative criteria applied or the due diligence processes undertaken in place of such rating or score;
- encourages managers who wish to consider additional disclosures to address aspects of ESG indices used as benchmarks that differ from traditional financial benchmarks which investors may not be as familiar with; and
- emphasises that the disclosures should be supported by appropriate policies and processes to ensure effective implementation of the ESG fund's stated ESG investment focus and strategy and mitigate greenwashing risks.

FSTB and HKMA to further adopt distributed ledger technology in Hong Kong fixed income market

The Financial Services and the Treasury Bureau (FSTB) and the Hong Kong Monetary Authority (HKMA) have [jointly announced](#) the completion of their first phase review regarding the further adoption of distributed ledger technology (DLT) in Hong Kong's fixed income market.

The first-phase findings suggest that Hong Kong's legal and regulatory environment is already sufficiently flexible for tokenised bond issuances. The review has identified a few legal issues that would benefit from further clarification and enhancement. As an initial step, the Companies Registry has issued a set of frequently asked questions to affirm that a register of debenture holders maintained with the use of DLT can be deemed as fulfilling the relevant record keeping requirements under the Companies Ordinance.

According to the authorities, the next phase of the review, commencing in the second half of 2026, will examine the legal enhancements for addressing issues in adopting DLT in the current processes of the fixed

income market, as well as concepts involved in a more digitally native setting. The areas under exploration include the following:

- allowing electronic execution of issuance documents for tokenised bonds to enable greater efficiency and further automation in the issuance process; and
- considering concepts such as possession and transfer in the context of tokenised fixed income instruments, to provide issuers with the flexibility to select the most suitable form of issuance as technology continues to advance.

Recent Clifford Chance briefings

Implementing Basel 3 final (EU, UK and US) — impact on undrawn credit facilities

The EU, UK and US implementation of the remaining Basel 3 standards (Basel 3 final or Basel 3.1) impacts many banks' regulatory capital requirements for undrawn corporate credit facilities by increasing credit conversion factors (CCFs) for shorter-term facilities, while reducing CCFs for longer-term facilities. This briefing reviews how the new rules change the regulatory capital treatment of undrawn facilities and highlights differences of approach between the adopted EU rules, the planned UK rules and the US Basel endgame proposals.

<https://www.cliffordchance.com/briefings/2026/06/implementing-basel-3-final--eu--uk-and-us---impact-on-undrawn-cr.html>

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.

www.cliffordchance.com

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2026

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi • Amsterdam • Bangkok • Barcelona • Beijing • Brussels • Bucharest • Casablanca • Doha • Dubai • Düsseldorf • Frankfurt • Hong Kong • Istanbul • Jakarta* • London • Luxembourg • Madrid • Milan • Moscow • Munich • New York • Paris • Perth • Prague • Rome • São Paulo • Seoul • Shanghai • Singapore • Sydney • Tokyo • Warsaw • Washington, D.C.

*Linda Widyati & Partners in association with Clifford Chance.

Clifford Chance has a co-operation agreement with Abuhimed Alsheikh Alhagbani Law Firm in Riyadh.

Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.