Clifford Chance

International Regulatory Update:
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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

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EMIR 3: ESMA consults on reporting framework for clearing activity at recognised third-country CCPs

The European Securities and Markets Authority (ESMA) has launched a consultation on a proposed annual reporting framework under Article 7d of the European Market Infrastructure Regulation (EMIR) as amended by EMIR 3 for clearing activity at recognised third-country central counterparties (CCPs).

Article 7d mandates ESMA to develop draft regulatory and implementing technical standards (RTS and ITS) specifying the content and format of annual reporting by clearing members and clients on their activity at recognised third-country central counterparties (TC-CCPs). The proposed framework is intended to maximise the reuse of information already available through existing reporting channels and to limit new reporting requirements to information that is not otherwise available to ESMA or competent authorities.

Comments are due by 12 October 2026.

EMIR 3: Delegated Regulation on EBA fees for validation of *pro forma* models published in Official Journal

Commission Delegated Regulation (EU) 2026/1000 on the fees to be charged by the European Banking Authority (EBA) under EMIR 3 for the validation of *pro forma* models used by counterparties to mitigate the risk of their uncleared over-the-counter (OTC) derivatives portfolios has been published in the Official Journal.

The EBA is required under Article 11(3)(4) of EMIR to set up a central validation function for the *pro forma* models, and changes made to those models, used by certain counterparties to calculate the amount of collateral to be exchanged with respect to their portfolios of non-centrally cleared OTC derivatives. Under Article 11(12a) of EMIR, the EBA is entitled to charge annual fees, per *pro forma* model, to those counterparties using the *pro forma* models validated by the EBA. The fees must be proportionate to the monthly average outstanding notional amount of non-centrally cleared OTC derivatives over the last 12 months of the relevant counterparties and need to be assigned to cover all the validation tasks performed by the EBA.

The Delegated Regulation specifies the general principles the EBA should follow when calculating collecting fees relating to the performance of its validation function. It also specifies how the EBA should estimate its annual overall costs and how counterparties should calculate their average notional amount for the purpose of the determination of the fees to be paid for the validation of the *pro forma* models they use. The Delegated Regulation also sets out the fees to be paid:

- by counterparties on a regular basis;
- by counterparties using a *pro forma* model already in use prior to the entry into force of EMIR 3; and
- in the first years following the introduction and the application for validation of a new *pro forma* model.

The Delegated Regulation will enter into force on 6 September 2026.

FCA publishes feedback on motor finance redress scheme implementation plans

The Financial Conduct Authority (FCA) has published feedback on firms' motor finance redress scheme implementation plans, setting out examples of good and poor practice.

The review covered key areas of scheme delivery, including operational readiness, population identification, case grouping, redress calculation and payment, quality assurance, oversight and representative issues.

The FCA found that most firms understood the scheme requirements, but many plans lacked detail on delivery and were too high level to assess firms' readiness to meet their obligations.

FCA publishes 2026 wealth management survey

The FCA has published its wealth management survey for 2026. The report focuses on discretionary portfolio management and shares data and insights to help firms understand the market, compare their approach and raise standards.

Amongst other things, it covers:

- portfolio insights and evolving market structure;
- digital transformation and innovation;
- financial crime and effective controls;
- how firms are supporting clients with characteristics of vulnerability and whether clients receive fair value; and
- diversity and talent.

Bafin issues circular on administrative practice in takeover law

The German Federal Financial Supervisory Authority (Bafin) has issued a circular on its administrative practice in takeover law (Circular 05/2026 (WA)) providing guidance on frequently recurring regulatory questions in takeover procedures.

The circular is addressed to market participants conducting procedures within the scope of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz - WpÜG) in conjunction with the WpÜG Offer Regulation (WpÜG-Angebotsverordnung - WpÜGAngebV) and, where relevant, the German Stock Exchange Act (Börsengesetz - BörsG).

The circular consolidates previous publications and does not introduce any new requirements for market participants. It took effect on 18 August 2026.

SFC issues circular on mitigating risks in receiving deposits through simplified eDDA arrangements

The Securities and Futures Commission (SFC) has issued a circular to highlight the risks associated with the increasing use of simplified Electronic Direct Debit Authorisation (eDDA) arrangements by licensed corporations, SFC-licensed virtual asset service providers and associated entities (collectively, licensed firms), including internet brokers and virtual asset trading platform operators, for receiving client deposits. The SFC notes that such risks may arise from erroneous, unauthorised or fraudulent eDDA setup requests and subsequent direct debit transactions (collectively, eDDA Deposits). The circular also sets out measures for assessing and mitigating such risks to assist licensed firms in protecting their operations and clients from financial losses.

Amongst other things, the circular reminds licenced firms of their obligations to maintain proper internal control procedures and adequate financial and operational capabilities to protect their operations and clients from financial loss arising from fraud and other dishonest acts. Licensed firms that adopt simplified eDDA arrangements for receiving client deposits are required to review such arrangements, assess the associated risks, and implement appropriate risk mitigating measures.

Licensed firms are also reminded of their requirements to disclose the eDDA settings to clients. To promptly identify erroneous, unauthorised or fraudulent eDDA setup requests or deposits, the SFC expects licensed firms to remind clients regularly to review the bank accounts being registered with the licensed firm for eDDA Deposits, closely monitor their bank account transactions for irregularities, and contact the firm or their banks immediately after spotting any suspicious activities, and/or, where appropriate, report the matter to the Hong Kong Police Force.

Recent Clifford Chance briefings

CRD6 - new EU reporting requirements for EU branches of non-EU banks

The European Commission has adopted the technical standards detailing the new reporting requirements that apply to EU branches of non-EU banks under recent EU legislation (CRD6).

Clifford Chance has prepared a briefing paper providing an overview of the reporting requirements under the technical standards, which apply from March 2027.

https://www.cliffordchance.com/briefings/2026/08/crd6-new-eu-reporting-requirements-for-eu-branches-of-non-eu-banks.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.

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

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