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INTERNATIONAL REGULATORY UPDATE: 21 – 25 September 2026

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Revised European Sustainability Reporting Standards published in Official Journal

Commission Delegated Regulation (EU) 2026/1563 amending Delegated Regulation (EU) 2023/2772 as regards the simplification of certain sustainability reporting standards and Commission Delegated Regulation (EU) 2026/1560 supplementing Directive 2013/34/EU by establishing sustainability reporting standards for voluntary use by undertakings protected by the value chain cap have been published in the Official Journal.

Commission Delegated Regulation (EU) 2026/1563 sets out the revised European Sustainability Reporting Standards (ESRS), which are intended to streamline administrative burdens for EU businesses whilst maintaining quality in sustainability disclosures. According to the EU Commission, the revised ESRS are simpler, clearer and more flexible with a predicted 30% reduction in company reporting costs. Commission Delegated Regulation (EU) 2026/1563 will enter into force on 10 November 2026 and apply to the financial years beginning on or after 1 January 2027.

Commission Delegated Regulation (EU) 2026/1560 sets out a voluntary standard intended to facilitate sustainability reporting for companies not subject to the mandatory Corporate Sustainability Reporting Directive (CSRD) requirements and introduces a 'value chain cap' for companies with 1,000 employees or fewer. Commission Delegated Regulation (EU) 2026/1560 will enter into force on 24 September 2026 and the value chain cap will apply from the financial years beginning on or after 1 January 2027.

MAR: EU Commission invites feedback on draft delegated regulation on buy-back programmes and stabilisation measures to reflect Listing Act changes

The EU Commission has published a draft delegated regulation amending the regulatory technical standards (RTS) on buy-back programmes and stabilisation measures set out in Commission Delegated Regulation 2016/1052.

The Listing Act amended Article 5 of the Market Abuse Regulation (MAR) to simplify the conditions applicable to buy-back transactions with regard to their reporting to competent authorities and their subsequent public disclosure. The amendments to Delegated Regulation 2016/1052 are intended to reflect these changes.

The draft delegated regulation further amends Delegated Regulation (EU) 2016/1052 to:

- allow for the reporting of buy-back transactions in aggregated form only; and
- align the disclosure and reporting regime for stabilisation measures with that applicable to buy-back programmes.

The EU Commission has invited feedback on the draft, with responses due by 19 October 2026.

CRD: EBA consults on revised ITS for joint decision process for institution-specific capital and liquidity requirements

The European Banking Authority (EBA) has published a consultation paper (EBA/CP/2026/19) containing proposals for revised implementing technical standards (ITS) for the joint decision process for institution-specific capital and liquidity requirements under Article 113 of the Capital Requirements Directive (CRD).

With the proposed amendments, the EBA intends to streamline the joint decision process and to align it with the current supervisory framework and practices.

The revised ITS:

- support a more holistic and coordinated assessment of institutions' prudential requirements and guidance;
- introduce a single, reduced and integrated risk assessment report;
- align the joint decision process with the revised Supervisory Review and Evaluation Process framework and other current supervisory practices;
- more clearly incorporate qualitative supervisory measures into the joint decision process; and
- update the scope of joint decisions to include Pillar 2 Guidance and leverage ratio-related Pillar 2 requirement and guidance.

Comments are due by 4 January 2027.

BoE consults on fees regime for recognised payment systems and specified service providers supervision for 2026/27

The Bank of England (BoE) has launched a consultation paper on its proposed supervisory fees for recognised payment systems and specified service providers for 2026/27.

The proposals cover:

- the fee rates to meet the BoE's 2026/27 funding requirement for its financial market infrastructure (FMI) supervisory activity in respect of recognised payment systems and specified service providers and the policy activity that supports this; and
- the BoE's proposed hourly rates for special project fees (SPF) for 2026/27.

Comments are due by 22 October 2026.

BaFin publishes circular on authorisation procedure for AIF management companies under section 22 KAGB

The German Federal Financial Supervisory Authority (BaFin) has published Circular 12/2026 (WA) on the authorisation procedure for alternative investment fund management companies (AIF-KVGen) under section 22 of the German Investment Code (Kapitalanlagegesetzbuch – KAGB).

The circular sets out BaFin's administrative practice, in particular its requirements regarding the content of, and supporting documents for, an application for authorisation under section 22(1) KAGB, as well as selected aspects of the authorisation process. It applies from the date of publication and replaces the previous circular of 22 March 2013, as last amended on 24 March 2025. Its objective is to provide greater transparency for companies applying for authorisation and to shorten processing times.

The circular applies uniformly to internal and external AIF management companies, including companies already registered under section 44 in conjunction with section 2 KAGB.

BaFin has taken into account market feedback received during the preceding consultation process. Certain amendments to the consultation draft also reflect changes introduced by the German Fund Risk Limitation Act (Fondsrisikobegrenzungsgesetz – FRiG).

BMF consults on ordinance amending banking supervisory provisions following discontinuation of large exposure reporting

The German Federal Ministry of Finance (Bundesministerium der Finanzen – BMF) has launched a consultation on a draft ministerial ordinance (Referentenentwurf) amending banking supervisory provisions following the discontinuation of the large exposure reporting regime (Millionenkreditmeldewesen) under section 14 of the German Banking Act (Kreditwesengesetz – KWG).

The German Location Promotion Act (Standortförderungsgesetz) discontinues large exposure reporting under section 14 KWG with effect from 30 December 2026. As a result, several ordinances that refer to the provisions on large exposure reporting must be adapted. These adjustments are being implemented through two separate omnibus amending ordinances, one by the BMF and one by BaFin.

Comments on the BMF draft are due by 30 September 2026.

HKEX consults on Phase II of listing framework competitiveness review

The Stock Exchange of Hong Kong Limited (SEHK), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEX), has published a consultation paper on the second phase of its listing framework competitiveness review.

The consultation paper seeks market feedback on targeted reforms to the regulatory framework governing notifiable transactions, connected transactions and spin-offs undertaken by listed issuers. The objective of the reforms is to ensure that the requirements remain fit for purpose in light of evolving market conditions, while maintaining robust investor protection and enhancing the competitiveness and attractiveness of Hong Kong as an international listing venue.

Comments on the consultation are due by 30 November 2026.

HKMA issues new supervisory policy manual module on transition planning

The Hong Kong Monetary Authority (HKMA) has issued a new supervisory policy manual module (SPM) GS-2 on transition planning, with a view to establishing a robust and proportionate transition planning process for authorised institutions (AIs).

The HKMA has observed that, since the issuance of SPM GS-1 on climate risk management in 2021, climate risk management practices have continued to evolve, particularly in relation to transition planning. The new SPM GS-2 sets out the HKMA's expectations and provides guidance to AIs on enhancing their resilience and managing the risks and opportunities associated with net-zero transition.

Consistent with SPM GS-1, SPM GS-2 applies to all AIs and adopts a risk-focused approach. The HKMA will adopt a proportionate and pragmatic approach when assessing AIs' implementation, considering the size, nature and complexity of each AI's operations, the materiality of climate-related risks the AI is exposed to, and the practical challenges that AIs face in transition planning.

24 months after the issuance of SPM GS-2, AIs should be prepared to demonstrate their progress in implementing SPM GS-2 and demonstrate their readiness to have their transition planning documentation in place by 1 July 2030. To assist AIs' preparation of transition planning documentation, the HKMA notes that it will provide, for informational and reference purposes only, examples of information at a future date that AIs may consider including in their transition planning documentation.

HKMA issues circular regarding review of enhanced competency framework for banking practitioners

The HKMA has issued a circular informing AIs of the completion of its review of the enhanced competency framework for banking practitioners (ECF). The review followed an action item recommended in the 'Capacity Building for Future Banking, 2026–2030' study, jointly published by the HKMA, the Hong Kong Institute of Bankers (HKIB) and the Hong Kong Association of Banks (HKAB) in August 2025.

The review focused on the overall structure, experience and certification requirements, and qualification taxonomy of the ECF. Following consultations with the Talent Committee of HKAB, the Future Banking Committee of HKIB, and HKIB as the ECF Administrator, the HKMA is proposing the following five enhancements:

- reconfiguring the core level to encompass a common set of competency standards applicable to all banking practitioners, rather than work stream specific requirements;
- consolidating the existing core level and professional level competency standards within each specific workstream to reduce duplication and streamline the structure of the ECF;
- realigning work experience requirements having regard to those of comparable professional qualifications;
- allowing retention of the attained ECF certifications despite changes in job roles, thereby facilitating career transition and widening professional exposure across different functions within the banking industry; and
- consolidating qualifications within individual workstreams into one integrated qualification for each workstream at the professional level to eliminate overlapping competency requirements and training contents, and support end-to-end expertise within an area of specialisation.

The HKMA plans to issue new ECF guidance based on the revamped ECF and the HKIB will work out the related transition arrangements by mid-2028. Following that, the HKIB will confirm the new qualification requirements (including modular exemptions) and update training content, with a view to rolling out new training courses in 2030.

Financial Services and Markets (Amendment) Bill 2026 moved for first reading in Singapore Parliament

The Financial Services and Markets (Amendment) Bill 2026 has been moved for its first reading in the Singapore Parliament.

The Bill is intended to amend the Financial Services and Markets Act 2022 (FSM Act) mainly to:

- introduce a new Division 3 in Part 7 of the FSM Act to empower the Monetary Authority of Singapore (MAS) to impose on systemically important financial institutions (FIs) the requirement to maintain a minimum level of total loss-absorbing capacity. This will complement the MAS' existing power to bail in subordinated debt and eligible senior unsecured debt to bolster the solvency of a distressed FI; and
- explicitly provide for the prevention of the financing of the proliferation of weapons of mass destruction, in alignment with updated Financial Action Task Force (FATF) standards.

The Bill also makes consequential and related amendments to the Banking Act 1970, the Financial Advisers Act 2001, the Financial Holding Companies Act 2013, the Insurance Act 1966, the Securities and Futures Act 2001, the Trust Companies Act 2005 and the Variable Capital Companies Act 2018.

The Bill will come into operation on a date that the Minister appoints by notification in the Gazette.