

INTERNATIONAL REGULATORY UPDATE: 5 – 9 October 2026



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Market Integration and Supervision Package: EU Council Agrees Key Elements of Its Negotiating Position

The EU Council has [agreed](#) on the key elements of its negotiating position on the EU Commission's Market Integration and Supervision Package (MISP).

Under the Council's agreed position:

- supervision of the most significant cross-border trading venues, as well as the most significant post-trading entities such as central securities depositories (CSDs) and central counterparties (CCPs), would be transferred to the European Securities and Markets Authority (ESMA);
- there would be a new pan-European market operator (PEMO) framework, which would allow venues that do not meet the criteria to fall under direct supervision to operate multiple venues across the EU under a single license, supervised directly by ESMA, on a voluntary basis;
- only the most significant cross-border cryptoasset service providers (CASPs) would become immediately subject to ESMA supervision;
- ESMA's governance framework would be modernised, with a new full-time executive board to manage operations and take entity-specific decisions concerning directly supervised operators, while maintaining a separate board of supervisors which would remain ESMA's principal body for regulatory decisions, strategy, budget and supervisory convergence;
- a suite of measures would seek to reduce cross-border barriers and complexity for asset managers operating in the EU, including a new depositary passport regime; and
- changes to the Distributed Ledger Technology (DLT) Pilot Regime would give market operators improved access to test new possibilities around digital assets.

The negotiating position will now be finalised in accordance with the political agreement ahead of the Council's formal adoption. Negotiations with the EU Parliament can begin once the latter adopts its own position.

EU Council Updates List of Non-Cooperative Jurisdictions for Tax Purposes

The EU Council has [adopted](#) a revised list of non-cooperative jurisdictions for tax purposes, removing Panama and Vietnam.

The following jurisdictions are on the list of non-cooperative jurisdictions (Annex I): American Samoa, Anguilla, Guam, Palau, Russia, Turks and Caicos Islands, US Virgin Islands and Vanuatu.

The Council has also approved the state of play document (Annex II), which identifies cooperative jurisdictions which have made further improvements to their tax policies or related cooperation. Belize was removed from the state of play document.

ESMA Issues Statement on Extended Transitional Period for Third-Country CSDs

The European Securities and Markets Authority (ESMA) has published a [statement](#) to clarify that EU market participants should not be prevented from accessing third-country central securities depositories (CSDs) beyond 17 January 2027 and until the EU finalises the legislation to extend the current transitional regime.

The current transitional regime, which allows certain third-country CSDs to provide notary and central maintenance services for financial instruments constituted under the law of an EU Member State, is set to end on 17 January 2027.

However, the Market Integration and Supervision Package currently being negotiated between the EU Parliament and EU Council includes an extension of this transitional period for third-country CSDs by three years after its entry into force. ESMA notes that both the Parliament and the Council support this proposed extension.

In light of this, ESMA expects national competent authorities (NCAs) not to prioritise their supervisory and enforcement actions in relation to third-country CSDs not recognised by ESMA, until the extended transitional period proposed in the MISP takes effect.

MICA: ESMA Sets Out Supervisory Expectations on Services Related to Unauthorised Stablecoins

ESMA has published an [opinion](#) clarifying its supervisory expectations in relation to cryptoasset services involving asset-referenced tokens (ARTs) and e-money tokens (EMTs) that do not comply with the requirements of the Markets in Cryptoassets Regulation (MiCA).

ESMA considers that cryptoasset service providers (CASPs) authorised under MiCA should cease providing services related to non-MiCA-compliant stablecoins to clients in the EU. This applies to all cryptoasset services covered by MiCA, including the operation of trading platforms, exchange services, execution of orders, placing of cryptoassets, reception and transmission of orders, investment advice, transfers, custody and administration, and portfolio management, whether these services are provided individually or in combination.

The opinion calls on national competent authorities (NCAs) to supervise that market participants neither maintain, introduce, nor facilitate access for clients to non-MiCA-compliant stablecoins through their services. ESMA has also emphasised that NCAs should ensure that CASPs implement appropriate technical, contractual, and organisational controls to prevent the availability of such tokens in the EU, including controls preventing clients from acquiring or increasing exposures to those tokens.

ESMA Seeks Evidence on USE of Tokenised Collateral in Central Clearing

ESMA has launched a [call for evidence](#) on the potential use of tokenised collateral by central counterparties (CCPs).

The call for evidence focuses on how tokenisation may affect the transfer, management, protection and use of collateral throughout its lifecycle. It is intended to examine different tokenisation models, including tokenised

versions of assets held in traditional infrastructures (digital twins) and assets issued directly on distributed ledger technology. It also covers hybrid arrangements and their interaction with tokenised cash and other settlement assets.

Responses are due by 15 January 2027.

AMLA Consults on EU-WIDE AML/CFT Database

The Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) has launched a [public consultation](#) on draft regulatory technical standards (RTS) under the Anti-Money Laundering Regulation (AMLR) establishing a central anti-money laundering and countering the financing of terrorism (AML/CFT) database.

AMLA intends the database to serve as the single point for EU supervisory authorities to report and retrieve information, helping to identify risks and trends and support targeted, effective supervision. The draft RTS set out the types of information that supervisors will transmit into the database, and the procedures, formats and timelines for the transmission.

The database is designed to address AML/CFT supervisors' information needs whilst minimising data requests and avoiding data duplication. The draft RTS aim to keep the reporting burden low, drawing first on data that supervisors already hold instead of adding new reporting requirements for obliged entities. Where possible, they also aim to automate and streamline reporting.

Comments on the draft RTS will be heard at a public hearing on 3 November 2026.

FSB Publishes Review on Public Sector Backstops

The Financial Stability Board (FSB) has published a [thematic review](#) on public sector backstop funding (PBFs) mechanisms, which forms part of work initiated after the 2023 bank failures. The review focuses on public sector liquidity provision as a last resort and finds that approximately half of jurisdictions continue to have material implementation gaps. It also notes that different PBF designs can meet the FSB's standards.

The FSB recommends that jurisdictions take action to address these gaps and sets out six recommendations aimed at achieving full and consistent implementation of its PBF recommendations. The report also recommends that the FSB support implementation through the sharing of good practices, review of existing implementation materials and monitoring of progress in implementing Key Attribute 6 and its Guiding Principles.

PRA Consults on Automatic Increases to Regulatory Thresholds

The Prudential Regulation Authority (PRA) has published a consultation [\(CP13/26\)](#) on proposed automatic increases to regulatory thresholds.

Under the proposals, 128 thresholds across banking, insurance and credit unions would increase automatically with nominal Gross Domestic Product (GDP). The automatic updates would replace the current manual *ad hoc* updates, allowing requirements to move organically as the economy grows and prices change. The PRA believes these changes would increase proportionality, decrease the costs of compliance for firms and provide

more certainty for business planning. The first proposed update would take place on 1 July 2031, with further updates every five years thereafter.

As part of CP13/26, the PRA has also published a discussion paper on whether certain thresholds should be part of automatic indexation. In these cases, the PRA believes the cost-benefit of inclusion is less clear, and that inclusion of the thresholds may have more complex implications for firms.

Comments are due by 7 February 2027.

FCA Consults on Fair Redemption Terms for Authorised Funds Investing in Illiquid Assets

The Financial Conduct Authority (FCA) has published consultation paper [\(CP26/35\)](#) proposing changes to the rules for Non-UCITS Retail Schemes (NURS) investing predominantly in inherently illiquid assets, including minimum redemption terms intended to better reflect the time needed to sell underlying assets. The proposals include a 90-day notice period for investors to access their funds and would give existing funds two years to comply.

Comments are due by 11 December 2026.

BAFIN Adopts EBA Guidelines on CRR Definition of Ancillary Services Undertakings with Interpretative Reservation

The German Federal Financial Supervisory Authority (BaFin) has announced that it is adopting the European Banking Authority (EBA) guidelines (EBA/GL/2026/01) specifying the criteria for determining the activities referred to in Article 4(1)(18) of the Capital Requirements Regulation (CRR), subject to an interpretative reservation. To that end, BaFin has issued [Circular 14/2026 \(BA\)](#) setting out its interpretation of certain criteria for determining activities pursuant to Article 4(1)(18) CRR.

In particular, BaFin has adopted a more restrictive interpretation than that reflected in the EBA guidelines in relation to the criteria of 'dependence on banking activity' and 'dependence on financial resources' as regards the definition of 'ancillary services undertaking' under Article 4(1)(18) CRR.

CFTC Extends Brexit-Related No-Action Relief

The Commodity Futures Trading Commission (CFTC)'s Division of Market Oversight and Market Participants Division have extended until 31 December 2027 temporary post-Brexit no-action relief that was due to expire on 31 December 2026, unless superseded earlier by applicable UK-specific comparability determinations or exemptive relief.

[CFTC Letter 26-28](#) supersedes CFTC Letter 24-11, as amended by CFTC Letter 26-10, and extends no-action positions relating to certain CFTC EU comparability determinations applicable to swap dealers and the CFTC's exemption of qualifying EU multilateral trading facilities and organized trading facilities from swap execution facility registration requirements and related trade execution requirements. It is intended to maintain the regulatory status quo for certain UK entities, while the CFTC works with UK authorities to analyse relevant UK law and, where appropriate, issue UK comparability determinations and exemptive orders.

Recent Clifford Chance Briefings

The New Spanish Royal Decree on Investment Projects

Spain has introduced a new national framework for Strategic Investment Projects (PEI), aimed at identifying and supporting strategic investments of particular economic, industrial, technological or energy significance for the country. Introduced by Royal Decree 731/2026, this designation offers access to a range of support measures and administrative facilitation mechanisms, including priority treatment and streamlined procedures, shorter processing timeframes, and facilitated access to infrastructure, among others. At the same time, eligibility is subject to stringent requirements, a dedicated assessment process, and ongoing monitoring and oversight obligations. Clifford Chance has prepared a briefing paper highlighting the main characteristics of this new law and its legal framework.

<https://www.cliffordchance.com/briefings/2026/10/the-new-spanish-royal-decree-on-strategic-investment-projects.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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