Clifford Chance

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EU Commission publishes 2027 work programme

The EU Commission has adopted its 2027 work programme, setting out its main legislative and non-legislative initiatives for the coming year. The work programme is accompanied by the 2026 annual overview report on simplification, implementation and enforcement.

In relation to financial services, the Commission plans to table legislative proposals in Q1 2027 to complete the Savings and Investment Union, including the venture capital framework reform and the Bank competitiveness and simplification package. It will also conduct a mid-term review of the Savings and Investments Union.

The work programme also highlights the role of the euro as a key tool for the EU's competitiveness, its position as a geopolitical actor, its economic resilience and its strategic independence. In this context, the Commission welcomes the co-legislators' progress in negotiations on the digital euro and will support their efforts to find a swift agreement. The work programme further notes that the EU intends to deepen its partnership with the United Kingdom.

The following legislative proposals, which have failed to secure sufficient support in the EU Parliament and Council, will be withdrawn:

- the Green Claims Directive;
- the Financial Data Access (FIDA) Regulation; and
- the European Deposit Insurance Scheme (EDIS), which has been pending with co-legislators for more than 10 years and is to be replaced by the proposals on banking competitiveness in Q1 2027.

CRD6: EBA publishes revised guidelines on internal governance

The European Banking Authority (EBA) has published its final revised guidelines on internal governance under the Capital Requirements Directive (EBA/GL/2026/10).

The guidelines have been revised to reflect changes introduced by CRD6 and to align the internal governance framework with the Digital Operational Resilience Act (DORA) and other EU regulatory developments. They also clarify the responsibilities of management bodies and governance requirements for third-country branches.

Under the guidelines:

- management bodies have ultimate responsibility for institutions' governance arrangements, with the responsibilities of management and supervisory functions clearly defined;
- institutions must draw up, maintain and update individual statements setting out the roles and duties of members of the management body in its management function, senior management and key function holders;
- third-country branches must have robust governance arrangements, including clear organisational structures, appropriate internal controls and sufficient local resources and substance; and
- governance arrangements should be applied proportionately, taking account of an institution's size, complexity, risk profile and business model.

The guidelines also address risk culture, conflicts of interest, internal control functions and business continuity and incorporate ESG and ICT-related risks into the governance framework.

FATF announces outcomes of plenary meeting

The Financial Action Task Force (FATF) has announced the outcomes of its plenary meeting held in Paris on 28-30 October 2026. Among other things, the plenary:

- agreed to launch a new targeted review process to accelerate global implementation of FATF standards relating to virtual assets;
- approved a new report intended to help combat illicit financial flows linked to scam compounds;
- discussed and adopted reports of the FATF-GAFILAT mutual evaluation of Mexico and the FATF-APG-CFATF mutual evaluation of the United States; and
- agreed a series of measures to strengthen the FATF's support for low-capacity countries in building effective AML/CFT/CPF frameworks.

Basel Committee publishes consolidated guidelines and sound practices and consults on consequential amendments to Basel Framework

The Basel Committee on Banking Supervision (BCBS) has launched a new section of its website setting out a consolidated version of its guidelines and sound practices for banks and supervisors.

Following a public consultation in 2025, the Committee has finalised the consolidated text without change. Its 13 topic-specific modules set out expectations and practices in a more accessible format that is easier to maintain and update.

Additionally, the Committee is consulting on proposed technical amendments to cross-references in the Basel Framework to refer to the new chapters in the consolidated guidelines and sound practices. It also proposes to move certain 'Application guidance' chapters from the Framework to the consolidated guidelines to reduce the proliferation of guidance across its website and distinguish more clearly between standards and guidelines.

Comments are due by 21 December 2026.

Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2026 made

The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2026 (SI 2026/1154) have been made and laid before Parliament.

SI 2026/1154 extends by twelve months the transitional arrangements under Parts 2 and 3 of the Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (SI 2019/589), enabling specified categories of Gibraltar-based firms to provide financial services in the UK and facilitating access by similar types of UK-based firms to Gibraltar's financial services market.

SI 2026/1154 will come into force on 16 December 2026.

Retail Payments Infrastructure Board publishes response to consultation on design of future retail payments infrastructure

The Retail Payments Infrastructure Board (RPIB) has published its response to its consultation on the design of the UK's next-generation retail payments infrastructure. The new infrastructure is intended to provide a secure foundation for innovation, greater choice and more seamless payments, while supporting existing and emerging forms of digital money.

According to the RPIB, responses to the consultation indicated broad support for the proposed payment journeys, key design choices and priorities for the infrastructure. Respondents showed strong support for interoperability between different forms of money at par and placed particular importance on preventing fraud and financial crime. Building on the proposals set out in the consultation, the RPIB's response outlines its current high-level design proposals for the core infrastructure.

The RPIB will now move to the next phase of its design work, the development of a blueprint for the infrastructure. The blueprint will be handed over to the Delivery Company in Spring 2027. The RPIB and the Bank of England will continue structured engagement with stakeholders to continuously inform and test the high-level design.

PRA and FCA seek views on reform of credit union regulatory regime

The Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) have published a joint discussion paper (PRA DP2/26 / FCA DP26/1) on the regulatory and legislative framework for credit unions. The review is intended to consider whether the framework remains proportionate as the sector becomes more diverse.

Options the discussion paper seeks views on include:

- simplifying documentation, internal audit and reporting requirements for smaller credit unions;
- introducing a more risk-sensitive capital framework for larger or more complex firms;
- addressing barriers to new products, services and third-party arrangements; and
- providing a route for suitable credit unions to convert into building societies.

The regulators are also considering changes to the framework for solvent exits, including greater flexibility to transfer or restructure businesses.

Comments are due by 5 March 2027.

FCA publishes final rules for ESG ratings

The FCA has published a policy statement (PS26/22) containing its final regulatory regime for environmental, social and governance (ESG) ratings in the UK.

The Financial Services and Markets Act 2000 (Regulated Activities) (ESG Ratings) Order 2025 brings ESG ratings under the FCA's regulation. The new rules introduce requirements for transparency, disclosure, governance, systems and controls, and the management of conflicts of interest. They

also include stakeholder engagement rules and complaints handling and dispute resolution requirements. ESG rating providers in the UK market will also be required to apply for FCA authorisation, with the authorisation gateway opening on 24 June 2027. The FCA intends the framework to be proportionate to firms' size and activities.

The new rules will apply from 29 June 2028.

Motor finance: FCA sets out expectations for firms making settlement offers

The FCA has set out its minimum expectations for firms making voluntary full and final settlement offers to consumers during the partial suspension of the motor finance redress scheme, while legal challenges continue.

The FCA has stated that it supports lenders making settlement offers, as long as customers are offered no less than they would receive through the scheme. The expectations are intended to help firms ensure that consumers are provided with clear, fair and not misleading information when deciding whether to accept an offer, and to promote a consistent approach across firms. Where a consumer voluntarily enters into a settlement agreement after being provided with appropriate information, the FCA would expect that the complaint relating to that agreement would ordinarily be treated as withdrawn, on the basis that the lender can demonstrate that the offer reflects no less than the maximum redress that would be available under the scheme.

To help consumers make informed decisions, the FCA has published a factsheet that lenders must share with customers when making settlement offers.

FCA publishes Primary Market Bulletin 67

The FCA has published the latest edition of its Primary Market Bulletin (No. 67).

The 67th edition includes:

- information on the new interface for the National Storage Mechanism;
- findings from the FCA's review of sponsors' use of AI;
- changes to how users update their profiles in the FCA's electronic submission system (ESS);
- a consultation on proposed changes to the FCA's guidance to reflect changes to the UK Listing Rules sourcebook (UKLR) and the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (PRM); and
- information on consequential changes to Technical Note (TN) 619.4 on disclosure requirements under the PRM.

The proposed changes to the FCA's guidance include amendments to technical notes on prospectus requirements, and the revocation of guidance notes on requirements for companies applying for premium listing and on listing securities via final terms.

Responses to the consultation are due by 9 November 2026.

FCA issues policy statement on streamlined UK EMIR intragroup regime

The FCA has published a policy statement (PS26/21) on the streamlined UK EMIR intragroup regime.

This follows the FCA's November 2025 consultation paper (CP25/30) as well as HM Treasury's publication of the final Over the Counter Derivatives (Intragroup Transactions) Regulations 2026 (SI 2026/1117), which replace the UK's Temporary Intragroup Exemption Regime (TIGER) with a permanent framework by facilitating permanent exemptions from the clearing obligation and margin requirements for intragroup transactions between UK counterparties and overseas group entities, regardless of whether the overseas jurisdiction has been declared equivalent under Article 13 of UK EMIR.

PS26/21 sets out the FCA's final Binding Technical Standards (BTS) and confirms the revocation of certain EMIR questions and answers (Q&As) on the intragroup regime, implementing the Treasury's reform alongside additional changes to further reduce burdens on counterparties. It should be read alongside the Treasury's final statutory instrument to get a full picture of the updated intragroup regime.

The new intragroup regime will come into effect on 1 January 2027.

CSRC issues new penalty rules for unlawful securities transfers

The China Securities Regulatory Commission (CSRC) has released the 'Administrative Penalty Implementation Rules for Cases Involving Illegal Transfer of Securities', which will take effect on 1 December 2026. The rules build on the 2019 amendments to the PRC Securities Law, which broadened the statutory scope of unlawful transfers of securities, as well as the CSRC's general rules on administrative penalty discretion that took effect in 2025. Against this backdrop, the rules provide more detailed standards for identifying, and imposing administrative penalties on, unlawful transfers of securities.

Amongst other things, the rules include:

- four categories of unlawful securities transfers – the rules classify unlawful securities transfers into four categories: (i) transfers during a statutory or regulatory lock-up period; (ii) breaches of minimum holding periods or restrictions on the timing of sales; (iii) breaches of restrictions on the quantity of securities sold or applicable disclosure requirements; and (iv) breaches of trading suspension requirements upon reaching the 5% shareholding threshold or the post-acquisition lock-up requirement;
- penalty tiers based on severity of violation – the rules adopt a three-tier framework based on both the proportion and value of securities unlawfully transferred. The lower tier generally applies where the unlawful transfer amount is below 2% of total share capital or RMB 40 million, while the higher tier applies where the unlawful transfer amount reaches both 5% of the total share capital and RMB 500 million respectively. Other cases fall within the ordinary tier; and
- derivative transactions and other circumvention structures – the rules expressly identify certain circumvention arrangements as aggravating circumstances, including derivative transactions referencing the listed company's shares, lending of restricted shares through the securities

financing arrangements, and short sales by holders of restricted shares through securities borrowing. This reflects a substance-over-form approach to enforcement and provides a clearer basis for CSRC to address arrangements used to circumvent applicable transfer restrictions.

Securities and Futures (Amendment) Bill 2026 gazetted

The Hong Kong Government has gazetted the Securities and Futures (Amendment) Bill 2026.

The Bill is intended to amend the Securities and Futures Ordinance (SFO) and its subsidiary legislation in order to enhance the real estate investment trust regime by introducing a statutory mechanism similar to that under the Companies Ordinance for companies to undertake restructuring or compulsory acquisition.

In addition, the Bill also seeks to enhance the market misconduct and disclosure regimes for collective investment schemes that are listed on the Stock Exchange of Hong Kong (Listed CISs), by expressly providing that the provisions in the SFO relating to relevant regulatory regimes also cover Listed CISs, in addition to listed companies.

The Bill will be introduced into the Legislative Council for its first reading on 11 November 2026.

Listed derivatives clearing houses begin accepting China Government Bonds, Policy Bank Bonds and MOF Bonds as collateral

The Hong Kong Exchanges and Clearing Limited (HKEX) has announced that its listed derivatives clearing houses, HKFE Clearing Corporation Limited (HKCC) and the SEHK Options Clearing House Limited (SEOCH), have begun accepting eligible RMB fixed-income holdings as non-cash collateral for margin requirements.

The initiative allows participants to use Mainland China Government Bonds and Policy Bank Bonds held through Northbound Bond Connect (collectively, Bond Connect Securities), together with offshore bonds issued by the Ministry of Finance of the People's Republic of China (MOF Bonds), to meet margin requirements without liquidating the assets or converting them into cash.

The initiative builds on HKEX's existing RMB bond collateral arrangements, under which OTC Clear began accepting MOF Bonds and Bond Connect Securities as collateral in 2017 and 2025, respectively. The expansion extends eligibility for RMB bond collateral beyond OTC Clear to HKCC and SEOCH, providing participants greater flexibility to meet margin requirements and diversify their holdings.

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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