

FINANCIAL REGULATION WEEKLY BULLETIN

Major UK and European regulatory developments of interest to banks, insurers and reinsurers, asset managers and other market participants

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Slaughter and May also produces a periodical Insurance Newsletter. If you would like to go on the distribution list, please contact:
[Beth Dobson](#).

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GENERAL //

1 FINANCIAL STABILITY BOARD

- 1.1 **FSB publishes letter to G20 leaders focused on private credit markets and stablecoins - 20 November 2025** - The Financial Stability Board has published a letter from its Chair, Andrew Bailey, to G20 Leaders ahead of their summit in Johannesburg. In the letter Bailey highlights the increasing role of non-bank intermediaries in the global financial markets, particularly in the government bond and private credit markets, and outlines the steps the FSB will take to monitor this growing sector. Bailey further underlines the urgency of improving cross-border payments and developing robust frameworks for stablecoins to ensure safe innovation and financial stability.

[Letter](#)

2 EUROPEAN COMMISSION

- 2.1 **SFDR - European Commission adopts proposed regulation - 20 November 2025** - The European Commission has adopted a proposed regulation amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR) and Regulation (EU) 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs Regulation), and repealing Commission Delegated Regulation (EU) 2022/1288 (SFDR RTS) (COM(2025) 841 final) (2025/0361 (COD)). The changes seek to make the EU's transparency framework for financial products integrating environmental or social aims simpler, more efficient, and better aligned with market realities.

The Commission proposes to: (i) delete entity-level disclosure requirements for financial market participants regarding principal adverse impact indicators; (ii) make a significant reduction in product-level disclosures, limiting them to data that is available, comparable and meaningful; and (iii) introduce a simple categorisation system for financial products making ESG claims, simplifying the investment journey of retail investors. The Commission proposal will be submitted to the European Parliament and Council of the EU for consideration.

[Proposed Regulation \(2025/0361 \(COD\)\)](#)[Press release](#)

3 FINANCIAL CONDUCT AUTHORITY

- 3.1 **Statutory investigations into regulatory failure and producing reports - FCA publishes statement of policy - 14 November 2025** - The FCA has published a statement of policy following a review of its policy for investigating and reporting on regulatory failure, to ensure it is fit for purpose. The FCA is required under the Financial Services Act 2012 to investigate and report to HM Treasury on possible regulatory failures the FCA has made under certain conditions. The FCA

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must also investigate and report on relevant events where HM Treasury considers it to be in the public interest.

The only substantive change from the FCA's last paper on this subject, published in 2013, is that the FCA has revised the monetary thresholds for 'significance' of consumer detriment in line with inflation. The FCA states that it will continue to do this periodically.

[FCA statement of policy: Statutory investigations into regulatory failure and producing reports](#)

[Webpage](#)

4 EUROPEAN SUPERVISORY AUTHORITIES

- 4.1 **DORA - ESAs publish list of designated CTPPs - 18 November 2025** - The European Supervisory Authorities (comprising the European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority) (ESAs) have published the list of 19 designated critical ICT third-party providers (CTPPs) under the Digital Operational Resilience Act ((EU) 2022/2554) (DORA). The designated CTPPs provide a range of ICT services, from core infrastructure to business and data services. The ESAs assessed firms in line with the multifaceted criteria set out in Article 31 of DORA, using data collected from the registers of information maintained by financial entities.

[ESA list of designated CTPPs](#)

[Press release](#)

BEYOND BREXIT //

5 HM TREASURY

- 5.1 **The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2025 published - 14 November 2025** - The Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2025 (SI 2025/1182) (the Regulations) have been published, together with an explanatory memorandum. The Regulations extend the temporary transitional arrangements under Parts 2 and 3 of the Financial Services (Gibraltar) (Amendment) (EU Exit) Regulations 2019 (SI 2019/589) by 12 months, from 31 December 2025 to 31 December 2026.

These transitional arrangements enable specified categories of Gibraltar-based firms to provide financial services in the UK and facilitate the access of similar types of UK-based firms to Gibraltar's financial services market. The Regulations come into force on 16 December 2025.

The explanatory memorandum notes that the Gibraltar Authorisation Regime (GAR), established by the Financial Services Act 2021, will establish the long-term legal and institutional framework that will enable market access in financial services between the jurisdictions. Secondary legislation is required to implement the GAR and is being prepared by HM Treasury, and once the GAR enters into force, the temporary arrangements will be repealed.

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BANKING AND FINANCE //

6 EUROPEAN COMMISSION

- 6.1 **CRR - European Commission publishes call for evidence on prudential framework for market risk - 19 November 2025** - The European Commission has published a call for evidence on a delegated act on the own funds requirement for market risk under the Capital Requirements Regulation (575/2013/EU) (CRR), as amended by the CRR III Regulation (EU) 2024/1623.

The call for evidence explains that nearly all parts of the Basel III standards have been in application since 1 January 2025, with the exception of the Fundamental Review of the Trading Book (FRTB), which aims to establish a more robust framework for determining capital requirements for banks' financial instruments held for trading activities. To ensure a level playing field, the application of these binding capital requirements has been postponed twice, until 1 January 2027. However, the implementation timeline of Basel III in the US and the UK is still uncertain.

As a result, the Commission is evaluating whether to introduce a delegated act to address the level playing field concerns resulting from international discrepancies in implementation timelines and requirements. It would also aim to incorporate those targeted changes already proposed by other jurisdictions that the Commission believes can improve the EU framework (for example, removing excessive rigidity and preventing excessive operational burden on banks). The deadline for responses is 16 December 2025, and the Commission is considering adopting the delegated regulation by the end of March 2026.

[Call for evidence](#)

7 EUROPEAN CENTRAL BANK

- 7.1 **2025 SREP results and 2026-28 supervisory priorities published by the ECB - 18 November 2025** - The European Central Bank (ECB) has published the results of its 2025 supervisory review and evaluation process (SREP), alongside its supervisory priorities for 2026-2028. Overall, banks maintained robust capital and liquidity positions and strong profitability in the second quarter of 2025. Compared with the previous year, the ECB issued roughly 30% fewer new qualitative measures. This decline is in line with the ECB's enhanced risk-focused supervision and improved follow-up by banks.

The ECB has identified two supervisory priorities for 2026-2028, observing that global uncertainties have surged to exceptional levels, creating an environment of heightened fragility. The first priority requires banks to remain resilient to geopolitical risks and macro-financial uncertainties. The second requires banks to ensure strong operational resilience and ICT capabilities.

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An accompanying speech, given by Claudia Buch, Chair of the ECB Supervisory Board, was also published, where Buch remarked, *“Yes, the environment is challenging. Uncertainty is high. Digitalisation is progressing rapidly. For European banks, the best response is to retain their financial and operational resilience.”*

[ECB SREP 2025 results](#)[ECB supervisory priorities 2026-28](#)[Speech](#)[Press release](#)

8 PRUDENTIAL REGULATORY AUTHORITY

- 8.1 **Depositor protection - PRA publishes policy statement on raising FSCS limit - 18 November 2025** - The PRA has published a policy statement (PS24/25) on reforms to the limits for depositor protection available from the Financial Services Compensation Scheme (FSCS). PS24/25 also provides feedback on responses to the PRA’s March 2025 consultation paper (CP4/25) on the same topic, which was previously reported in this bulletin.

The deposit protection limit is to be increased from £85,000 to £120,000, rather than £110,000 as previously consulted on. The limit applicable to certain temporary high balance claims will also be increased from £1 million to £1.4 million (the PRA indicates that it did not receive any feedback questioning this proposal).

Both of these changes will take effect from 1 December 2025. Firms are required to update their single customer view systems—which provide information about eligible deposits to enable the FSCS to compensate depositors quickly in the event of a firm’s failure—to reflect the new limit from that date. Deposit takers will then have up to six months to make changes to disclosure materials, which will need to be completed by 31 May 2026.

[PRA policy statement: Depositor protection \(PS24/25\)](#)

SECURITIES AND MARKETS //

9 EUROPEAN SECURITIES AND MARKETS AUTHORITY

- 9.1 **Supervision of depositaries - ESMA publishes peer review report - 17 November 2025** - The European Securities and Markets Authority (ESMA) has published a report on the outcome of a peer review of the supervision of depositaries, focused on their oversight and safekeeping obligations. Overall, the peer review found that the foundational frameworks for the supervision of depositaries are in place. However, it also found notable divergences across jurisdictions in terms of the depth and maturity of supervisory approaches. While some national competent authorities demonstrated highly developed and granular practices, others displayed areas for improvement.

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The report also contains a number of recommendations made to address weaknesses identified in the peer review, and some of these may be subject to follow-up two years from the publication of the report.

[ESMA peer review report: Supervision of depositary obligations](#)

[Press release](#)

10 HM TREASURY

- 10.1 **The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2025 published - 19 November 2025** - The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2025 (SI 2025/1205) (the Order) has been published, alongside an explanatory memorandum.

The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (RAO) provides for an exclusion from authorisation as investment firms for firms that deal in commodity derivatives, emissions allowances, or derivatives of emissions allowances as an ancillary activity to their main business. This exclusion is known as the Ancillary Activities Exemption (AAE) and was transposed from EU law. Firms must meet the requirements of the Ancillary Activities Test (AAT), as set out in assimilated law, to be eligible for the AAE.

The Order amends the AAE in the RAO to apply two options for determining whether a person carrying out the activities specified is excluded from the need for authorisation. Option 1 is whether the activity is ancillary to a person's main business at group level. Option 2 is whether the activity is below an annual threshold determined by the FCA. This instrument also provides the FCA with a power to make rules to specify the criteria in relation to the application of options 1 and 2. It also makes consequential amendments to give effect to the new AAE.

The Order comes into force on a staged basis. The FCA's rule-making powers come into force on 10 December 2025, and the remaining provisions of the Order come into force on 1 January 2027, providing transitional relief for firms and supporting them as they move to the new regime.

[Statutory instrument](#)

[Explanatory memorandum](#)

- 10.2 **Draft Central Securities Depositories (Amendment) (Intended Settlement Date) Regulations 2026 published - 19 November 2025** - The draft Central Securities Depositories (Amendment) (Intended Settlement Date) Regulations 2026 (the draft SI) has been published, alongside updates to the related policy note and webpage. The draft SI amends Article 5(2) of the UK Central Securities Depositories Regulation (UK CSDR), modifying the intended settlement date by stating that this date should be '*no later than the first business day after the day on which trading takes place*'.

This change requires market participants to settle transactions in transferable securities which are executed on a UK trading venue by T+1 at the latest (moving from T+2). The draft SI further

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maintains the current exemptions to this requirement and introduces an exemption for securities financing transactions (SFTs), specifying the types of SFTs that are exempt.

The draft SI is scheduled to come into force on 11 October 2027. On this date, the T+1 requirement will become law under UK CSDR. The government has published this draft SI in advance of laying it in Parliament to aid stakeholder preparations by providing clarity on how the T+1 requirement is intended to apply. The government welcomes any technical comments by 27 February 2026.

[Statutory Instrument](#)[Updated policy note](#)[Updated webpage](#)

11 FINANCIAL CONDUCT AUTHORITY

- 11.1 **Recognised industry codes - FCA updates webpage** - 17 November 2025 - The FCA has updated its webpage on recognised industry codes to reflect the fact it has extended its recognition of the FX Global Code, the UK Money Markets Code and the Global Precious Metals Code (version 2). The codes were recognised on 4 November 2025 and expire on 3 November 2028.

[Updated webpage](#)

- 11.2 **UK equity consolidated tape - FCA launches consultation** - 19 November 2025 - The FCA has launched a consultation paper (CP25/31) on a proposed framework for a UK equity consolidated tape (CT), run by a consolidated tape provider (CTP). Equities in this context cover shares, exchange-traded funds, depositary receipts and certificates, and other, similar instruments. By introducing an equity CT, the FCA seeks two main outcomes: (i) to increase the use of UK equity trade data across a wider range of market participants; and (ii) to provide a clearer, more comprehensive view of UK equity market liquidity to all market participants.

The FCA's proposed rules will establish the main regulatory obligations of the equity CTP and main regulatory requirements for the operation of the CT. They will also establish obligations for trading venues and Approved Publication Arrangements (who publish trade reports for OTC equity trades) to provide information to the CTP. The regulatory framework will further aim to ensure the CTP sells the equity CT at a competitive price and using simple licensing structures.

The FCA wants to ensure the UK equity CT can be operational as quickly as possible. The deadline for responses to the consultation is 30 January 2026.

[FCA consultation paper: UK equity consolidated tape \(CP25/31\)](#)[Press release](#)

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ASSET MANAGEMENT //

12 INTERNATIONAL ORGANIZATION FOR SECURITIES COMMISSIONS

12.1 Valuing collective investment schemes - IOSCO launches consultation - 17 November 2025 -

The International Organization for Securities Commissions (IOSCO) has published a consultation report (CR/05/2025) containing updated recommendations on valuing collective investment schemes (CIS). The updates are made in the interest of keeping aligned with an evolving market, where there has been an increase in CIS holding less liquid and illiquid assets, as well as increased retail investment in such schemes. Evolving best practices in CIS valuations and the recent experience of valuation challenges during times of market volatility also inform this consultation.

The deadline for responses is 2 February 2026.

[IOSCO consultation paper: Valuing collective investment schemes](#)

[Press release](#)

13 EUROPEAN COMMISSION

13.1 AIFMD and UCITS - European Commission adopts Delegated Regulations on liquidity management tools - 17 November 2025 -

The European Commission has adopted Delegated Regulations containing regulatory technical standards (RTS) specifying the characteristics of liquidity management tools under the Alternative Investment Fund Managers Directive (2011/61/EU) (AIFMD) and, separately, under the UCITS Directive (2009/65/EC).

The Delegated Regulations will now be scrutinised by the Council of the EU and the European Parliament.

[Commission Delegated Regulation \(EU\) .../... supplementing AIFMD with regard to regulatory technical standards specifying the characteristics of liquidity management tools \(C\(2025\)7643\)](#)

[Commission Delegated Regulation \(EU\) .../... supplementing UCITS with regard to regulatory technical standards specifying the characteristics of liquidity management tools \(C\(2025\)7642\)](#)

INSURANCE //

14 INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

14.1 Structural shifts in the life insurance sector - IAIS publishes issues paper - 18 November 2025 -

The International Association for Insurance Supervisors (IAIS) has published an issues paper on structural shifts in the life insurance sector. The paper contains a comprehensive analysis of these shifts, with a particular emphasis on the increased allocation to alternative assets in life

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insurers' portfolios and the concerns stemming from the rising adoption of cross-border asset-intensive reinsurance. The paper aims to present an in-depth analysis of these emerging trends, to provide a framework to assist supervisors and insurers in understanding their potential financial stability implications and identify potential areas for enhancement in the IAIS supervisory and/or supporting material.

[IAIS issues paper: Structural shifts in the life insurance sector](#)

[Press release](#)

15 EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY

15.1 Solvency II - EIOPA publishes draft RTS on new macro-prudential requirements - 18 November 2025 - The European Insurance and Occupational Pensions Authority (EIOPA) has published two final reports containing draft regulatory technical standards (RTS) on new macro-prudential tools introduced under the Solvency II Directive (2009/138/EC), as amended by the Solvency II Amending Directive (EU) 2025/2, following EIOPA's recent review. The updated Solvency II framework includes two key enhancements:

- liquidity risk management plans for insurers, which strengthen the sector's resilience by ensuring they maintain sufficient liquidity to meet obligations even under stress; and
- macro-prudential risk analyses, which improve supervisors' ability to monitor systemic risks and potential spillovers by incorporating macro-prudential considerations into insurers' risk management practices.

The draft RTS set out how these new requirements will function in practice. They have been submitted to the European Commission for review, with a decision on their adoption to be made within the next three months.

[Final report on RTS on Liquidity Risk Management Plans \(EIOPA-BoS-25-386\)](#)

[Final report on RTS on macro-prudential analysis \(EIOPA-BoS-25-389\)](#)

[Press release](#)

16 PRUDENTIAL REGULATORY AUTHORITY

16.1 PRA publishes discussion paper on alternative life capital - 14 November 2025 - The PRA has published a discussion paper (DP2/25) setting out its initial thinking and inviting feedback on potential policy changes that could allow life insurers to transfer defined tranches of risk to the capital markets. The PRA is open to a range of innovative structures, including potential reforms to the Insurance Special Purpose Vehicle (ISPV) framework or approaches used successfully in other markets, such as banking.

While the PRA is not proposing specific policy changes at this stage, it is seeking evidence and perspectives from a wide range of stakeholders on the need for capital, the nature and characteristics such capital should have, and how the PRA and firms should manage the risks that

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increased flexibility in capital funding could give rise to. The discussion paper is open for feedback until 6 February 2026.

[PRA discussion paper: Alternative life capital \(DP2/25\)](#)

- 16.2 **Life insurance stress test 2025 - PRA publishes results - 17 November 2025** - The PRA has published the results of the 2025 life insurance stress test (LIST 2025), a quantitative, forward-looking assessment of the resilience of the life insurance sector. The stress test assessed 11 of the largest UK life insurers active in the bulk purchase annuity (BPA) market, accounting for more than 90% of annuity liabilities.

The results indicate that the sector is resilient to a severe financial market stress scenario that impacts insurers' investment portfolios through a decline in risk-free interest rates and falls in equity and property prices, along with widening spreads and subsequent defaults and downgrades. LIST 2025 also included an exploratory scenario on funded reinsurance to reflect its growing use in the BPA market. This highlighted that recapturing reinsured liabilities under stress can significantly affect life insurers' solvency, and the PRA is considering whether further action is needed to ensure the regulatory capital treatment of funded reinsurance transactions is appropriate.

Individual firm results will be published on 24 November 2025.

[PRA LIST 2025 results](#)

FINANCIAL CRIME //

17 JOINT MONEY LAUNDERING STEERING GROUP

- 17.1 **AML/CTF guidance revisions - JMLSG publishes consultation - 17 November 2025** - The Joint Money Laundering Steering Group (JMLSG) has published a consultation paper on proposed revisions to Part 1 of its anti-money laundering (AML) and counter-terrorist financing (CTF) guidance for the financial services sector. The amendments relate to guidance in Chapter 3 on the role of the Money Laundering Reporting Officer and guidance in Chapter 6 on data protection and subject access requests in instances where a suspicious report has been made.

The deadline for responses is 14 January 2026.

[Press release](#)

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This Bulletin is prepared by the Financial Regulation Group of Slaughter and May in London. The Group comprises a team of lawyers with expertise and experience across all sectors in which financial institutions operate.

We advise on regulatory issues affecting firms across the financial services sector, including banks, investment firms, insurers and reinsurers, brokers, asset managers and funds, non-bank lenders, payment service providers, e-money issuers, exchanges and clearing systems. We also advise non-regulated businesses involved in financial regulatory matters. In addition, our leading financial regulatory investigations practice is regularly instructed by financial institutions requiring specialist knowledge of financial services regulation together with experience in high profile and complex investigations and contentious regulatory matters.

Most of the projects that we advise on have an extensive international or cross-border element. We work in seamless integrated teams with leading independent law firms which offer many of the most highly regarded financial institutions lawyers in Europe, the US and Asia, as well as strong and constructive relationships with local regulators.

Our Financial Regulation Group also produces occasional briefing papers and other client publications. The five most recent issues of this Bulletin and our most recent briefing papers and client publications appear on the Slaughter and May website [here](#).

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