

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
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periodical Insurance
Newsletter. If you
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GENERAL //

1 EUROPEAN PARLIAMENT

- 1.1 Impact of AI in the financial sector - ECON adopts resolution - 25 November 2025** - The European Parliament's Economic and Monetary Affairs Committee (ECON) has adopted a resolution on the impact of AI on the financial sector (P10_TA (2025)0286) (2025/2056(INI)). Among other things, the resolution calls on the Commission to issue clear, proportionate and practical guidance on the application of existing EU financial services legislation to the use of AI, rather than producing new legislation. The resolution also urges the Commission, the European Supervisory Authorities (ESAs) and national supervisors to assess the added value of AI-specific regulatory sandboxes, innovation hubs and cross-border testing environments.

[ECON adopted texts on the Impact of AI on the financial sector \(P10_TA\(2025\)0286\) \(2025/2056\(INI\)\)](#)

[Webpage](#)

[Press release](#)

2 HM TREASURY

- 2.1 FPC remit and recommendations for 2025/26 - 26 November 2025** - HM Treasury has published a letter from Rachel Reeves, Chancellor of the Exchequer, to Andrew Bailey, Bank of England Governor, setting out the remit and recommendations for the Financial Policy Committee (FPC) for 2025/26. The letter highlights the expectation that the FPC will play an active role in delivering the government's vision to ensure the UK remains competitive through its primary objective to maintain financial stability and by supporting the government's economic policy under its secondary objective. It also refers to the FPC's upcoming review of the level of bank capital requirements.

[Correspondence](#)

[Webpage](#)

3 FINANCIAL CONDUCT AUTHORITY

- 3.1 Regulatory Sandbox cohort for firms issuing stablecoins - launched by FCA - 26 November 2025** - The FCA has published a new webpage announcing the launch of a special cohort within its Regulatory Sandbox for firms issuing stablecoins. Applicants should ensure that their application shows a clear readiness to begin testing their stablecoin and confirms that they have the appropriate permissions and resources. Guidance and feedback on application will be provided by the FCA's innovation case officers. The deadline for applications is 18 January 2026.

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In a related speech, David Geale, the FCA's executive director for payments and digital finance and managing director of the Payment Systems Regulator, confirmed that a major firm has already been accepted to join the Sandbox cohort.

[FCA speech](#)[Webpage on stablecoin cohort](#)

4 FINANCIAL OMBUDSMAN SERVICE

- 4.1 **FOS 2026/27 Plans and Budget - consultation published - 27 November 2025** - The FOS has published a consultation paper on its plans and budget for 2026/27, highlighting its intention to increase case fees and levies, as well as a simplification of the billing process. It expects that complaints about Buy Now Pay Later (Deferred Payment Credit) products will come into its jurisdiction in July 2026, meaning it is likely to start receiving complaints in the second half of 2026/27.

The consultation is open until 21 January 2026.

[FOS consultation paper: 2026/27 plans and budget](#)[Webpage](#)[Press release](#)

BANKING AND FINANCE //

5 EUROPEAN BANKING AUTHORITY

- 5.1 **Implications of AI Act - EBA publishes factsheet - 24 November 2025** - The European Banking Authority (EBA) has published a factsheet on the implications of the Artificial Intelligence Act ((EU) 2024/1689) (AI Act) for the EU banking and payments sector. The EBA mapped the AI Act requirements on high-risk AI systems against sectoral requirements, including the Capital Requirements Regulation (575/2013), the Consumer Credit Directive (2008/48/EC), the Mortgage Credit Directive (2014/17/EU) and the Payment Services Directive ((EU) 2015/2366).

It found that the AI Act is complementary to EU banking and payment sector legislation, but that firms may need to do some work to integrate the two frameworks effectively. The EBA sees no immediate need to introduce any new, or to review existing, EBA guidelines.

[EBA factsheet: Implications of AI Act on EU banking and payment systems](#)

- 5.2 **Gender diversity requirements under CRD IV and CRR - EBA publishes peer review report - 26 November 2025** - The EBA has published a peer review report (EBA/Rep/2025/38) on how competent authorities have implemented and supervised gender diversity requirements under the CRD IV Directive (2013/36/EU) and the Capital Requirements Regulation (575/2013) (CRR) and related guidelines.

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The review assessed six competent authorities, including the European Central Bank (ECB). Most had fully, or largely, incorporated relevant requirements into their supervisory frameworks. There were, however, several failings in authorities' own benchmarking of diversity practices and the EBA has therefore suggested improvements to collecting and publishing benchmarking results.

[Peer review on gender diversity](#)

6 EUROPEAN CENTRAL BANK

- 6.1 TIBER-EU - ECB publishes implementation guide - 21 November 2025** - The European Central Bank (ECB) has published a guide on the implementation of framework for threat intelligence-based ethical red teaming (the TIBER-EU framework) by firms classified as “significant institutions” under the Single Supervisory Mechanism (SSM). The guide is intended to assist firms to meet requirements under the Regulation on digital operational resilience for the financial sector ((EU) 2022/2554) (DORA) for threat-led penetration testing (TLPT) every three years.

Among other things, the ECB has set out guidance on the identification of significant institutions that are subject to TLPT requirements, as well as the phases of the testing process.

[ECB TIBER-EU implementation guide](#)

7 SINGLE RESOLUTION BOARD

- 7.1 Work Programme 2026 - published by SRB - 26 November 2025** - The Single Resolution Board (SRB) has published its annual work programme for 2026, detailing its objectives and priorities for the coming year. Among other things, the SRB plans to start implementing its revamped resolvability assessment and a newly developed multi-annual testing framework. In addition, the SRB intends to hold its first ever Economic Conference in March 2026.

[SRB work programme 2026](#)[Press release](#)

SECURITIES AND MARKETS //

8 EUROPEAN COMMISSION

- 8.1 MiFIR - Delegated Regulation amending equity transparency adopted - 24 November 2025** - The European Commission has adopted a Delegated Regulation (C(2025) 7810 final) amending Delegated Regulation (EU) 2017/567 in relation to equity transparency under the Markets in Financial Instruments Regulation (600/2014) (MiFIR). The amendments reflect changes to MiFIR (600/2014) and the MiFID II Directive (2014/65/EU) made by Regulation (EU) 2024/791 (MiFIR II) and Directive (EU) 2024/790 (MiFID III) following a review.

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The proposed changes relate to, among others: the determination of what constitutes a liquid market for equity instruments; the requirement to provide market data on a "reasonable commercial basis"; and the definition of, and disclosure for, post-trade risk reduction.

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

[Commission Delegated Regulation \(EU\) .../... amending Delegated Regulation \(EU\) 2017/567 as regards equity transparency under MiFIR](#)

9 FINANCIAL CONDUCT AUTHORITY

- 9.1 Improving the UK transaction reporting regime - FCA consults - 21 November 2025** - The FCA has published a consultation paper (CP25/32) on improving the UK transaction reporting regime (which, as it stands, reflects the Markets in Financial Instruments Regulation (MiFIR) transaction reporting rules that were introduced in 2018 and onshored on 31 December 2020).

The proposed changes aim to reduce the regulatory burden on firms, support UK economic growth and increase the FCA's ability to fight financial crime and protect market integrity. They include a reduction in the number of transaction reporting fields as well as the removal of reporting obligations for financial instruments which are only tradeable on EU trading venues. Foreign exchange (FX) derivatives will be removed from the scope of reporting requirements. The default back reporting period will also be reduced from 5 to 3 years. The relevant technical standards will be replaced with new rules in the FCA's Market Conduct Sourcebook (MAR).

The CP also outlines a cross-authority vision on a new long-term approach to streamlining transaction reporting requirements across different regimes, including requirements in the UK European Market Infrastructure Regulation (EMIR) and the UK Securities Financing Transactions Regulation (SFTR).

Deadline for responses is 20 February 2026, with a policy statement with final rules to be delivered in the second half of 2026.

[FCA consultation paper: Improving UK transaction reporting requirements \(CP25/32\)](#)

[Webpage](#)

[Press release](#)

- 9.2 Prudential regulatory reporting by MIFIDPRU firms - FCA publishes review findings - 26 November 2025** - The FCA has published its findings from a data quality review of prudential regulatory reporting by firms under the Prudential Sourcebook for MiFID Investment Firms (MIFIDPRU). The review covered MIFIDPRU regulatory returns submitted to the FCA by around 3,800 firms via its RegData system, for reporting periods from January 2024 until March 2025. The FCA tested whether the data was consistent with guidance in its MIFIDPRU prudential sourcebook and comparable data from other sources. It also assessed whether data value changes over time fell within a credible range.

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Some examples of good practice included consistent reporting across time periods and cross-validation across returns. However, the FCA also found inconsistent reporting across multiple data sources as well as inconsistent implementation of the reporting guidance and requirements, particularly in reporting the own funds threshold requirement. Some firms reported figures in the wrong units or submitted identical data across multiple reporting periods. There were also inconsistencies between annual and quarterly submissions.

The FCA will start emailing data quality notifications to firms, highlighting when a submission has data that fails at least one of its tests. It is also exploring whether it can add systems-level validation or field-specific "pop up" guidance to RegData.

[FCA data regulatory review: Prudential regulatory reporting by MIFIDPRU investment firms](#)

10 PRUDENTIAL REGULATION AUTHORITY AND FINANCIAL CONDUCT AUTHORITY

- 10.1 Margin requirements for non-centrally cleared derivatives - PRA and FCA publish BTS amendments - 27 November 2025** - The FCA and PRA have published a joint policy statement containing amendments to Binding Technical Standards (BTS) 2016/2251 following a consultation on margin requirements for non-centrally cleared derivatives (CP5/25). The BTS are the UK version of Commission Delegated Regulation (EU) 2016/2251 that supplements UK EMIR ((EU) 648/2012). Single-stock equity options and index options were temporarily exempted from the relevant requirements until 4 January 2026. In March 2025, the FCA consulted on proposals (CP25/5) to exempt these products indefinitely, as well as targeted changes to improve the process for exchanging margin, following industry feedback.

The amendments will introduce an indefinite exemption for single stock equity options and index options from the UK's bilateral margining requirements as well as changes for legacy contracts for counterparties that fall under the Average Aggregate Notional Amount (AANA) threshold. The amendments will also allow firms to align dates related to the AANA calculation with other jurisdictions.

The changes took effect on 27 November 2025.

[PRA/FCA policy statement: Margin requirements for non-centrally cleared derivatives: Amendments to BTS 2016/2251](#)

[FCA Webpage](#)

INSURANCE //

11 FINANCIAL STABILITY BOARD

- 11.1 Insurers subject to RRP requirements - FSB publishes materials - 25 November 2025** - The Financial Stability Board (FSB) has published a list of the 17 insurers subject to the recovery and resolution planning (RRP) requirements in the FSB key attributes of effective resolution regimes for financial institutions for 2025. This is an increase from the 13 insurers listed in 2024. It has

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also published a statement reaffirming the FSB's 2022 decision to discontinue identifying global systemically important insurers (G-SIIs) annually and instead use the International Association of Insurance Supervisors' (IAIS) holistic framework assessments.

The FSB has published a consultation paper on guidance on the scope of insurers that should be subject to the RRP requirements, with a view to promoting consistency in the application of these standards across member jurisdictions. The draft outlines six possible criteria for determining whether an insurer should be subject to RRP requirements and sets out specific circumstances in which RRP requirements should always apply (for example, when an insurer provides critical functions that cannot be easily substituted). Comments can be made on the proposed draft until 6 February 2026.

[FSB list of insurers subject to RRP requirements](#)

[FSB consultation: guidance on the scope of RRP requirements](#)

[Consultation webpage](#)

[Statement](#)

[Press release](#)

12 INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

- 12.1 Capital standards under ComFrame - IAIS consults - 21 November 2025** - The International Association of Insurance Supervisors (IAIS) has published a consultation on aligning its common framework for the supervision of internationally-active insurance groups (ComFrame) with the international capital standard (ICS).

Following the adoption of the ICS in December 2024, the IAIS developed specific ICS-related supervisory reporting and public disclosure requirements. The IAIS proposes to amend the ICS supervisory reporting (ICP CF 9.4) and public disclosure (ICP CF 20.10) requirements to remove duplication and improve consistency. It will also add a new paragraph to the ComFrame assessment methodology section of the ICP and ComFrame introduction, which also sets out how the specificities of the US implementation of the ICS, in the form of the final US aggregation method, should be considered in the ICS implementation assessment.

Feedback is welcome until 5 February 2026. A webinar will take place on 11 December 2025 to present the consultation documents and answer questions from stakeholders.

[IAIS consultation paper: ComFrame capital standards](#)

- 12.2 Recovery and resolution - IAIS consults on updates to application papers - 25 November 2025** - The IAIS has launched a consultation on two draft revised application papers on recovery and resolution. The proposed changes provide further guidance on the updated versions of insurance core principle (ICP) 12 (Exit from the market and resolution) and ICP 16.15 (Recovery planning), as well as related material in the updated common framework for the supervision of internationally-active insurance groups (ComFrame) standards. They also set out insights into more recent practices and examples to support the application of these standards.

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The IAIS is holding a public background session to discuss the revised application papers on 14 January 2026. Comments can be made on the proposals until 25 February 2026.

[IAIS consultation: Draft revised Application Paper on resolution powers, preparation and plans](#)

[IAIS consultation: Draft revised Application Paper on recovery planning](#)

[Press release](#)

- 12.3 Global Monitoring Exercise - IAIS publishes update and ancillary risk indicators - 26 November 2025** - The IAIS has published an updated version of its global monitoring exercise (GME) document, as well as a new set of ancillary risk indicators. The updated GME reflects the outcome of the IAIS' 2023-25 three-yearly review cycle, including a June 2025 consultation exercise on the individual insurer monitoring (IIM) assessment methodology within the GME, which is used to calculate the build-up of systemic risk in individual insurers.

The additional ancillary risk indicators for the IIM assessment methodology are designed to help the IAIS monitor the global insurance sector's credit risk, derivatives and reinsurance. The indicators do not impact the IAIS' total quantitative scores for individual insurers but instead provide additional context that can inform the IAIS' overall systemic risk assessment. The IAIS has also made some amendments to the insurance liquidity ratio calculation.

[IAIS updated document: Global monitoring exercise](#)

[Updated webpage](#)

[Press release](#)

[IAIS: Ancillary risk indicators in the global monitoring exercise](#)

[Updated webpage](#)

[Press release](#)

13 PRUDENTIAL REGULATORY AUTHORITY

- 13.1 Insurer-specific results of life insurance stress test - published by PRA - 24 November 2025** - The PRA has published the insurer-specific results of the 2025 life insurance stress test (LIST 2025), the first stress test exercise conducted under the new Solvency UK regulatory regime that was implemented in 2024. The PRA published the sector-level findings on 17 November 2025, as previously reported in this Bulletin.

LIST 2025 focused on the solvency positions of 11 insurers as at 31 December 2024. It is not a pass/fail exercise and will not be used to inform the setting of capital requirements or buffers.

[PRA LIST 2025 individual firm results](#)

[Updated webpage](#)

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FINANCIAL CRIME //

14 SERIOUS FRAUD OFFICE

- 14.1 Evaluating corporate compliance programmes - SFO publishes update guidance - 26 November 2025** - The Serious Fraud Office (SFO) has published updated guidance on evaluating corporate compliance programmes. The guidance outlines six scenarios where the SFO assesses an organisation's compliance programme, including decisions on prosecution, deferred prosecution agreements (DPAs), compliance terms or monitorships in DPAs, defences under the Bribery Act 2010 and the Economic Crime and Corporate Transparency Act 2023 (ECCTA), and sentencing considerations.

For failure-to-prevent offences, the SFO focuses on statutory defences, including the section 199 ECCTA requirement for "reasonable procedures" to prevent fraud. The SFO stresses that programmes must be more than a "paper exercise"; they must be risk-based, proportionate, properly resourced, embedded in culture and regularly reviewed.

[SFO updated guidance](#)

ENFORCEMENT //

15 RECENT CASES

- 15.1 *Arena Television Ltd and another v Bank of Scotland Plc and another* [2025] EWHC 3036 (Comm), 19 November 2025**

Quincecare duty - fraudulent misrepresentations - unauthorised payments

The High Court has rejected an application for summary judgment or strike out of a case that considered whether an agent can have actual authority to make fraudulent misrepresentations to third parties in pursuing its principal's business. This is one of the first judgments to consider what were previously described as 'Quincecare claims' following the Supreme Court's decision in *Philipp v Barclays Bank UK PLC* [2024] AC 346.

In short, Butcher J held that in the normal case the purpose of the bank's duty is to avoid the making of unauthorised payments. That would entail potential liability on the part of the bank for the amount of such unauthorised payments and possibly also losses consequential on the making of those payments (such as interest, overdraft fees or currency losses). The scope of the duty does not, however, extend to protecting the customer against payments out of the account which were authorised, even if those payments would not have been made had the bank ceased to permit the operation of the account pending the completion of inquiries into a suspected unauthorised payment. Moreover, it does not extend to the consequences of transactions with others into which the customer entered, but which it would not have been able to enter into had the bank ceased to permit the operation of the account because there were grounds to suspect that there might be unauthorised payment instructions.

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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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