

# FINANCIAL REGULATION WEEKLY BULLETIN

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

## QUICK LINKS

[Selected Headlines](#)

[General](#)

[Beyond Brexit](#)

[Banking and Finance](#)

[Securities and Markets](#)

[Asset Management](#)

[Insurance](#)

[Financial Crime](#)

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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](#).

## SELECTED HEADLINES //

### General

**Data governance** - Bank of England publishes speech **2.1**

### Banking and Finance

**APP scams reimbursement requirement** - PSR **7.1**  
publishes thought piece on implementation and impact

### Securities and Markets

**Financial Services and Markets Act 2023 (Private  
Intermittent Securities and Capital Exchange System  
Sandbox) Regulations 2025** **9.1**

### Asset Management

**Investment research payment optionality for fund  
managers** - FCA publishes policy statement **11.1**

### Insurance

**Simplifying insurance rules** - FCA consults **13.1**

## Selected Headlines

[General](#)[Beyond Brexit](#)[Banking and Finance](#)[Securities and Markets](#)[Asset Management](#)[Insurance](#)[Financial Crime](#)

## GENERAL //

### 1 UK PARLIAMENT

- 1.1 Property (Digital Assets etc) Bill - third reading in the House of Lords completed - 12 May 2025** - The Property (Digital Assets etc) Bill 2024-25 (the Bill) has completed its third reading in the House of Lords (on 8 May 2025). The Bill will establish in statute the common law position that certain digital assets can constitute property, following the Ministry of Justice's response to the Law Commission's 2023 report on digital assets, as previously reported in this Bulletin. The Bill makes provision about the types of things that are capable of being objects of personal property rights, including a thing that is digital or electronic in nature, despite being neither a thing in possession, nor a thing in action.

Having been introduced in the House of Lords, the Bill will now go to the House of Commons for consideration.

[Hansard](#)

### 2 BANK OF ENGLAND

- 2.1 Data governance - Bank of England publishes speech - 13 May 2025** - The Bank of England (the Bank) has published a speech delivered by James Benford, the Bank's Executive Director for Data and Analytics Transformation and Chief Data Officer, on the following three aspects of data governance: having a data strategy that involves strong alignment around priorities; coherent management of data and information; and enabling innovation with artificial intelligence (AI).

Among other things, Benford sets out the Bank's progress following the publication of its data and analytics strategy and three-year roadmap in July 2024. A new data and analytics survey will soon be launched to assess the effectiveness of the Bank's strategy. Benford also comments on the Bank's plans to streamline regulatory data collection and the work that the Bank has been doing to put the 'TRUSTED' principles (targeted, reliable, understood, secure, tested, ethical and durable) - that underpin its use of AI - into practice.

[Speech](#)

### 3 CROSS MARKET OPERATIONAL RESILIENCE GROUP

- 3.1 AI Baseline Guidance - Cross Market Operational Resilience Group publishes review - 15 May 2025** - The AI Taskforce of the Cross Market Operational Resilience Group (members of which include the Bank of England and the FCA) has published an AI Baseline Guidance Review. The review responds to concerns relating to financial sector-level risk introduced by the rapid adoption of generative AI. Alongside a quick reference list of risk mitigation actions for firms, the document provides a reference point for the most relevant reading materials available to build a deeper understanding of this area.

## Selected Headlines

[General](#)[Securities and Markets](#)[Financial Crime](#)[Beyond Brexit](#)[Asset Management](#)[Banking and Finance](#)[Insurance](#)[Cross Market Operational Resilience Group: AI Baseline Guidance Review](#)[Press release](#)

## 4 FINANCIAL REPORTING COUNCIL

- 4.1 Opportunities for future UK digital reporting - FRC publishes feedback statement - 15 May 2025**  
- The Financial Reporting Council (FRC) has published a feedback statement on its August 2024 discussion paper on the future of digital reporting after the UK's departure from the EU and in light of new legislation such as the Economic Crime and Corporate Transparency Act 2023. Among other things, the paper notes that the importance, scope and requirements of UK digital reporting has grown and now encompasses disclosures to the FCA, Companies House, HMRC and the Charity Commission for England and Wales. The feedback statement also observes calls for improved guidance and support materials and recognises that a balance is to be struck between UK-specific reporting requirements and international comparability.

Responses to the paper will inform relevant regulators' current policy thinking.

[FRC feedback statement: Opportunities for future UK digital reporting](#)

[Press release](#)

# BEYOND BREXIT //

## 5 HM TREASURY

- 5.1 The Financial Services and Markets Act 2023 (Commencement No. 9) Regulations 2025 - 13 May 2025** - The Financial Services and Markets Act 2023 (Commencement No. 9) Regulations 2025 (SI 2025/572) (the Regulations) have been published. The Regulations bring into force a number of provisions of the Financial Services and Markets Act 2023 (FSMA 2023) to revoke the following:
- the UK Commission Delegated Regulation (EU) 2017/583 supplementing the UK Markets in Financial Instruments Regulation (600/2014/EU) with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives;
  - Sections 55J(7A) to (7C), 55KA and 367(3)(za) of the Financial Services and Markets Act 2000, which set out certain powers of the PRA to vary or cancel the Part 4A permissions of insurance and reinsurance undertakings;
  - the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2003 (SI 2003/1476), which related to the implementation of the Insurance Mediation Directive (2002/92/EC); and
  - the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014 (SI 2014/894) (the Capital Buffers Regulation).

## Selected Headlines

[General](#)[Securities and Markets](#)[Financial Crime](#)[Beyond Brexit](#)[Asset Management](#)[Banking and Finance](#)[Insurance](#)

The revocations entered into force on 14 May 2025 (that is, one day after the Regulations are made), save for the Capital Buffers Regulation, which will be revoked on 31 July 2025. This is the ninth set of commencement regulations made under FSMA 2023.

[Statutory instrument](#)

## BANKING AND FINANCE //

### 6 COMPETITION AND MARKETS AUTHORITY

- 6.1 Retail Banking Market Investigation Order 2017 - CMA issues Directions to bank - 13 May 2025** - The Competition and Markets Authority (CMA) has issued Directions to Starling Bank Limited (the bank) relating to breaches of Part 3 and Article 45 of the Retail Banking Market Investigation Order 2017 (the Order). Part 3 provides for the Service Quality Indicator (SQI) remedy (which provides consumers and SMEs with the results of surveys on banks' quality of service) while Article 45 requires banks to provide the number of personal and business current account customers they have to the CMA.

The Directions require the bank to, among other things, procure an external body to carry out a review of the processes and procedures it uses to comply with the relevant provisions of the Order.

[CMA: Directions to Starling Bank Limited issued under the Retail Banking Market Investigation Order 2017](#)

[Webpage](#)

### 7 PAYMENT SYSTEMS REGULATOR

- 7.1 APP scams reimbursement requirement - PSR publishes thought piece on implementation and impact - 15 May 2025** - The Payment Systems Regulator (PSR) has published a thought piece on the implementation and impact of its authorised push payment (APP) scams reimbursement requirement, which went live on 7 October 2024. It notes that the policy has had positive results, with a high proportion of APP scam victims being reimbursed consistently across a larger number of payment service providers. In addition, the PSR observes that more payment firms are now reimbursing victims of APP scams than before and that there is now a much more level playing field for who is responsible for the cost of reimbursing victims. The report suggests that there has not been a spike in claim volumes, as some had feared, although it is too early to draw firm conclusions.

The PSR will continue to monitor progress. It will carry out an independent review on the effectiveness of the policy in October 2025.

## Selected Headlines

[General](#)[Securities and Markets](#)[Financial Crime](#)[Beyond Brexit](#)[Asset Management](#)[Banking and Finance](#)[Insurance](#)

[PSR thought piece: The story so far: A snapshot of what we've seen since our APP scams reimbursement requirement went live](#)

## SECURITIES AND MARKETS //

### 8 EUROPEAN COMMISSION

- 8.1 Savings and investments union - European Commission publishes call for evidence - 12 May 2025** - The European Commission has published a call for evidence on fostering integration, scale and efficient supervision in the single market as part of its savings and investment union (SIU) strategy. The SIU strategy, which the Commission unveiled in March 2025, points to the need for integrated capital markets across the EU, to reduce fragmentation and ensure enhanced competitiveness. The call for evidence aims to gather views and experience to: (i) identify the barriers that prevent the EU's trading and post-trading infrastructures from reaping the benefits of a truly frictionless single market; (ii) examine whether the current regulatory and supervisory setting is fit for the capital markets; and (iii) review the European Supervisory Authorities' toolbox to assess areas where their effectiveness and efficiency can be strengthened and improved.

Stakeholders are invited to provide their input by 5 June 2025.

[Webpage](#)

### 9 HM TREASURY

- 9.1 Financial Services and Markets Act 2023 (Private Intermittent Securities and Capital Exchange System Sandbox) Regulations 2025 - 15 May 2025** - The Financial Services and Markets Act 2023 (Private Intermittent Securities and Capital Exchange System Sandbox) Regulations 2025 (SI 2025/583) (the Regulations) have been published, together with an explanatory memorandum. The Regulations establish the legal framework for the Private Intermittent Securities and Capital Exchange System Sandbox (PISCES), a new type of regulated trading platform to facilitate the intermittent trading of existing shares in private companies within a multilateral system. See our earlier briefing [here](#) for details of its key features.

Separately, the UK government has published a statement announcing the delivery of the legislation as well as confirming that it will legislate in the next Finance Bill to allow employers to amend existing enterprise management incentives and company share option plan contracts to include a PISCES trading event as an exercisable event. It explains that this will allow employees with contracts amended in line with the legislation to exercise their options on PISCES and retain tax advantages. The government intends to publish further information on how it will legislate by the end of July 2025.

A related press release also notes that the FCA will publish their rules underpinning PISCES shortly after the legislation comes into force, and that the government expects to see the first PISCES trading events take place later in 2025.

[Statutory instrument](#)

## Selected Headlines

[General](#)[Beyond Brexit](#)[Banking and Finance](#)[Securities and Markets](#)[Asset Management](#)[Insurance](#)[Financial Crime](#)[Explanatory memorandum](#)[UK government statement](#)[Press release](#)

## 10 BANK OF ENGLAND

**10.1 Financial stability - Bank of England publishes speech on its approach to regulating CCPs - 14 May 2025** - The Bank of England (the Bank) has published a speech delivered by Sarah Breeden, the Bank's Deputy Governor, Financial Stability, on the regulation of central counterparties (CCPs). Breeden emphasises the importance of a system-wide approach to regulating CCPs to ensure their actions, whilst prudent from a micro-prudential perspective, do not amplify shocks in times of stress. Also discussed is the role that CCP users play in reducing financial stability risks, including by being prepared, and the importance of measures to improve resilience in core markets.

Breeden notes the importance of transparency and predictability in margin practices, commenting that in its system-wide exploratory scenario (SWES) the Bank found that there were material differences between clearing members' and CCPs' projections for initial margin calls. To address this, this year, the Bank intends to implement the recommendations of the Basel Committee on Banking Supervision, the Committee for Payments and Market Infrastructures and the International Organization of Securities Commission September 2022 review of margining practices. The Bank also intends to publish a discussion paper later in 2025 on possible reforms to market structure to enhance gilt repo market resilience.

[Speech](#)

# ASSET MANAGEMENT //

## 11 FINANCIAL CONDUCT AUTHORITY

**11.1 Investment research payment optionality for fund managers - FCA publishes policy statement - 12 May 2025** - The FCA has published a policy statement (PS25/4) setting out its final rules on investment research payment optionality for fund managers. PS25/4 sets out a summary of feedback received on the FCA's November 2024 consultation on investment research. The FCA explains that it has made most rules in line with the consultation but amended the proposed guardrails on research budgets, written policies, disclosure and cost allocation to address concerns that recommended more flexibility.

In short, the new rules allow fund managers to purchase investment research with a joint payment option, subject to a set of guardrails. These include: establishing written policies on their approach to joint payments; stipulating the methodology for how the research cost should be calculated and identified separately within total charges for joint payments and establishing a research provider payment allocation structure; and setting budgets for the purchase of research and allocating the cost of research fairly. Fund managers are also responsible for the administration of the accounts for purchasing research with joint payments.

## Selected Headlines

[General](#)[Securities and Markets](#)[Financial Crime](#)[Beyond Brexit](#)[Asset Management](#)[Banking and Finance](#)[Insurance](#)

Appendix 1 to PS25/4 sets out the instrument containing the final rules, which came into force on 9 May 2025.

[FCA policy statement: Investment research payment optionality for fund managers \(PS25/4\)](#)

[Webpage](#)

[Press release](#)

## INSURANCE //

### 12 EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY

**12.1 Adoption of generative AI - EIOPA publishes survey - 15 May 2025** - The European Insurance and Occupational Pensions Authority (EIOPA) has published a survey on the adoption of generative artificial intelligence (AI) solutions in the European insurance sector. The survey aims to gather information about the extent to which firms have implemented or are planning to implement generative AI solutions, whether and how these differ from their adoption of traditional AI systems and what governance and risk management measures they are taking to ensure responsible use of the technology. Responses are welcomed by 15 July 2025.

[EIOPA: Survey on the adoption of generative AI solutions in the European insurance sector](#)

### 13 FINANCIAL CONDUCT AUTHORITY

**13.1 Simplifying insurance rules - FCA consults - 14 May 2025** - The FCA has published a consultation paper (CP25/12) on proposals and other potential changes to simplify its insurance rules for insurance firms and funeral plan providers. This follows its July 2024 discussion paper (DP24/1) on the regulation of commercial and bespoke insurance businesses.

The changes include a proposal to replace the current ‘contracts of large risks’ definition with a new definition to identify larger commercial insurance customers. The FCA further proposes to remove: the minimum 12-month review requirement under PROD 4 for non-investment insurance products; the employers’ liability insurance notification and annual reporting requirements; and the 15-hour continuing professional development requirement for insurance and funeral plan employees. The proposals also seek to give firms flexibility to appoint one lead insurer to be solely responsible for complying with PROD 4 where more than one party is involved in designing the insurance product, as well as to broaden the scope of an exclusion to both intermediaries and insurers so that all bespoke non-investment insurance contracts are excluded from PROD 4.

Chapter 7 of CP25/12 discusses further areas where the FCA may consider making rule changes in the future. All proposed changes are set out in a draft statutory instrument found in appendix 1 to the paper. Comments on the proposals are welcomed by 2 July 2025. The FCA proposes that the rule changes come into force immediately after it publishes a policy statement to CP25/12.

We intend to publish a client briefing on these proposals in due course.



## Selected Headlines

[General](#)[Beyond Brexit](#)[Banking and Finance](#)[Securities and Markets](#)[Asset Management](#)[Insurance](#)[Financial Crime](#)

[FCA consultation paper: Simplifying the insurance rules: Proposed amendments following DP24/1 and discussion on further changes for insurance and funeral plans \(CP25/12\)](#)

[Webpage](#)

[Press release](#)

## 14 PENSIONS DASHBOARDS PROGRAMME

- 14.1 Pensions dashboards - PDP publishes update on progress - 15 May 2025 - The Pensions Dashboards Programme (PDP) has published a report on its progress toward delivering pensions dashboards, which follows its announcement in April 2025 that the first pension provider had successfully completed connection, as reported previously in this Bulletin.

[PDP progress update report: May 2025](#)

[Press release](#)

## FINANCIAL CRIME //

### 15 FINANCIAL CONDUCT AUTHORITY

- 15.1 Insider dealing - FCA announces guilty pleas from two professional investors - 12 May 2025 - The FCA has announced that two individuals have pleaded guilty to six instances of insider dealing. The individuals worked as professional day traders and, between November 2016 and January 2020, used confidential information obtained from brokers via 'wall crossing' (a legitimate practice that entails providing non-public and price-sensitive information to a third party) to deal in shares in five companies.

The individuals will be sentenced on 3 July 2025 at Southwark Crown Court.

[Press release](#)



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[General](#)[Beyond Brexit](#)[Banking and Finance](#)[Securities and Markets](#)[Asset Management](#)[Insurance](#)[Financial Crime](#)

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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