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## **EU Commission sets out its Savings and Investments Union strategy**

The EU Commission has published a [communication](#) setting out its strategy for the Savings and Investments Union (SIU), which is intended to offer EU citizens broader access to capital markets and better financing options for companies.

The communication emphasises that delivering the SIU is the shared responsibility of EU institutions, Member States and all key stakeholders and will require close collaboration across the following four strands of work:

- citizens and savings;
- investment and financing;
- integration and scale; and
- efficient supervision in the Single Market.

Under these four headings, the Commission is planning to, amongst other things:

- adopt measures to create a European blueprint for savings and investments accounts or products based on existing best practice, accompanied by a recommendation addressed to the Member States on the tax treatment of savings and investments accounts – by Q3 2025;
- review the existing EU frameworks for Institutions for Occupational Retirement Provision (IORPs) and the Pan-European Personal Pension Product (PEPP) – by Q4 2025;
- take measures to stimulate equity investments by institutional investors – by Q4 2025;
- review and upgrade the European venture capital funds (EuVECA) Regulation to make this label more attractive, including by widening the scope of investable assets and strategies – by Q3 2026;
- put forward measures to support exits by investors in private companies, possibly through multilateral intermittent trading of private company shares – by Q3 2026;
- issue proposals on securitisation focusing on simplifying due diligence and transparency, and adjusting prudential requirements for banks and insurers – in Q2 2025;
- issue a package of legislative proposals to address barriers to more integrated trading and post-trading infrastructures, including rules on central securities depositories, financial collateral and settlement and on the trading market structure – in Q4 2025;
- propose legislation to remove remaining barriers to the distribution of EU-authorised funds across the EU – in Q4 2025;

- assess the need for, and consider a potential review of the Shareholders Rights Directive – by Q4 2026;
- propose measures to strengthen supervisory convergence tools, and make them more effective – in Q4 2025; and
- issue proposals to achieve more unified supervision of capital markets as indicated in the Competitiveness Compass, including by transferring certain tasks to the EU level – in Q4 2025.

The SIU is also intended to enhance the integration and competitiveness of the EU banking sector, including through the deepening of the Banking Union. The Commission will assess the overall situation of the banking system in the Single Market, including its competitiveness, with a report due in 2026.

The Commission intends to publish a mid-term review of the overall progress in achieving the SIU in Q2 2027.

## **European Council adopts conclusions on competitiveness, including on Savings and Investments Union**

The European Council has adopted its [conclusions](#) following its meeting in Brussels on 20 March. Amongst other things, the conclusions relate to the EU's competitiveness, including the SIU and the need for simplification and reducing administrative burdens.

In particular, the Council has:

- called on the EU Commission and the co-legislators to work towards achieving the target of reducing the cost of all administrative burdens by at least 25%, and by at least 35% for SMEs;
- called on the Commission to keep reviewing and stress-testing the EU acquis to identify ways to further simplify and consolidate existing legislation;
- urged the co-legislators to take work on the Omnibus simplification packages presented on 26 February 2025 forward as a matter of priority, with a view to finalising them as soon as possible in 2025;
- called on the co-legislators to adopt the proposal on the stop-the-clock mechanism on sustainability reporting and due diligence without delay and at the latest by June 2025;
- urged the Commission and the co-legislators to adhere to better regulation principles throughout the legislative process, to avoid over-regulation and the introduction of administrative burdens, in particular on SMEs;
- urged the co-legislators to quickly agree on all pending proposals from the 2020 Action Plan on the Capital Markets Union, including on insolvency;
- stressed the need for national-level actions to complement actions at EU level in order to increase the size and depth of capital markets that are accessible to all citizens and businesses across the EU;
- called on the Commission, the Council and Member States to advance work towards greater retail participation in capital markets by making available European investment and savings possibilities, including enhanced possibilities for EU-wide savings and pension products, drawing on best practices, in time to allow decisive steps to be taken in 2025;

- called on the Commission to swiftly propose, in 2025, improvements to the existing pan-European personal pension product;
- called on the Commission to put forward proposals to improve the private equity and venture capital ecosystem and to propose an optional 28th company law regime allowing innovative companies to scale up, in time to allow the co-legislators to take decisive steps by 2026;
- called on the Commission to swiftly propose, in 2025, a revised securitisation framework, including targeted adjustments to the prudential framework;
- called on the Commission to keep the global level playing field in the banking and insurance sectors under review and take appropriate measures;
- called on the Commission to ensure convergent supervisory practices and foster homogenous implementation, interpretation, application and enforcement of EU law by national competent authorities;
- called on the Commission to complete the assessment of and the work on the conditions for enabling the European Supervisory Authorities (ESAs) to effectively supervise the most systemic relevant cross-border capital and financial market actors, and to put forward a proposal on supervision;
- called on the Commission to swiftly remove barriers to market-led consolidation of market infrastructure and to cross-border investment; and
- called on the Commission to streamline existing rules and eliminate duplication, clarify regulatory provisions and reduce the cost of compliance and reporting.

### **CSDR: ESMA publishes statement on treatment of settlement fails**

The European Securities and Markets Authority (ESMA) has published a [statement](#) on the treatment of settlement fails with respect to the Central Securities Depositories Regulation (CSDR) penalty mechanism following a major incident in February 2025.

A major incident caused by a failure of the infrastructure component adversely affected TARGET Services (T2S and T2) on 27 February 2025 which meant that settlement instructions, payment, ancillary system instructions or liquidity transfers between TARGET Services could not be processed for several hours. ESMA has clarified that national competent authorities (NCAs) do not expect CSDs to apply cash penalties in relation to settlement fails for the days of 27 and 28 of February 2025.

The existing Q&As on CSDR confirm that cash penalties should not be applied in situations where settlement cannot be performed for reasons which are independent from the involved participants.

### **EMIR 3: ESMA extends recognition decisions for three UK CCPs**

ESMA has [temporarily extended](#) the application of the recognition decisions under Article 25 of the European Market Infrastructure Regulation (EMIR) for three central counterparties (CCPs) established in the United Kingdom. It has also signed a revised [Memorandum of Understanding](#) (MoU) on cooperation and information exchange with the Bank of England (BoE) as required by EMIR 3.

ESMA has prolonged the tiering determination decisions and recognition decisions for three recognised UK CCPs – ICE Clear Europe Ltd and LCH Ltd as Tier 2 and LME Clear Ltd as Tier 1 – that were adopted by ESMA on 25 September 2020, to align with the expiry date of the EU Commission's new equivalence decision adopted on 30 January 2025.

The application of the tiering determination decisions and recognition decisions is temporarily extended until 30 June 2028.

### **MiCA: ESMA publishes official translations of guidelines on conditions and criteria for qualification of cryptoassets as financial instruments**

ESMA has published the [official translations](#) of its guidelines on the conditions and criteria for the qualification of cryptoassets as financial instruments under the Markets in Cryptoassets Regulation (MiCA).

The guidelines will apply from 18 May 2025. National competent authorities must notify ESMA whether they comply, do not comply but intend to comply, or do not intend to comply with the joint guidelines.

### **DORA: ESAs publish official translations of guidelines on estimation of aggregated annual costs and losses caused by major ICT-related incidents**

The ESAs have published the [official translations](#) of their guidelines on the estimation of aggregated annual costs and losses caused by major ICT-related incidents under the Digital Operational Resilience Act (DORA).

The guidelines will apply from 19 May 2025. National competent authorities must notify the ESAs whether they comply, do not comply but intend to comply, or do not intend to comply with the joint guidelines.

### **CRR: EBA updates technical standards on joint decision processes for internal model authorisation**

The European Banking Authority (EBA) has published its final [draft implementing technical standards](#) (ITS) amending the Implementing Regulation on the joint decision process for internal model authorisation under the Capital Requirements Regulation (CRR). The final draft amending ITS are part of the first phase of the EBA roadmap for implementing the EU Banking Package.

The key amendments include:

- a revised scope for the use of internal models for regulatory purposes under CRR3, where the possibility of applying these models for operational risk has been removed; and
- updated references to the ITS and regulatory technical standards (RTS) on the functioning of supervisory colleges, reflecting changes in the revised supervisory colleges regulatory framework.

### **SRB consults on resolvability testing for banks**

The Single Resolution Board (SRB) has launched a [consultation](#) on its operational guidance on resolvability testing for banks.

The guidance is intended to ensure that European banks are regularly testing their capabilities to handle a crisis and to implement a resolution action. The consultation incorporates lessons learned from past crises and best practices.

To support the consultation process, the SRB will meet with the banking industry and other relevant stakeholders to address any questions before the consultation period ends. The consultation is open to banks, the broader banking industry, and related stakeholders.

Comments are due 5 May 2025.

## **HM Treasury sets out new approach to ensuring regulators support growth**

HM Treasury has published a [policy paper](#) setting out its approach to ensuring regulators and regulation support growth. The reforms outlined in the paper are relevant to regulators across all sectors including business, finance, energy and the environment.

The paper provides an action plan comprising the following three main actions:

- tackling complexity and the burden of regulation;
- reducing uncertainty across the UK regulatory system; and
- challenging and shifting excessive risk aversion in the system.

Under these three headings, HM Treasury intends to, amongst other things:

- undertake a baselining exercise to understand how much regulation is costing and where it can be reformed to remove unnecessary burden and achieve its policy objectives more efficiently;
- merge, consolidate or rationalise some regulators, including the merger of the Payment Systems Regulator (PSR) into the Financial Conduct Authority (FCA);
- look to review the number of the Prudential Regulation Authority (PRA)'s and FCA's 'have regards' to identify opportunities to rationalise them and ensure a focus on their priorities;
- examine whether the Financial Ombudsman Service (FOS) is delivering its role as a simple, impartial dispute resolution service for complaints against financial services firms – this work is expected to conclude in the Summer;
- work with regulators, where businesses and regulators agree that there is a case to expedite decisions and authorisations, to identify process improvements including the introduction of paid-for 'fast lanes' for regulatory approvals;
- unveil a new Growth-focused Strategic Steer to the Competition and Markets Authority (CMA) in the coming weeks, following the conclusion of a consultation on the draft Steer on 6 March 2025;
- bring forward a consultation in the coming months on legislative reform proposals where the Government can take action to improve the pace, predictability and proportionality of the UK's competition regimes;
- work with the regulators, the Office for Investment and the City of London Corporation, and establish a concierge service to enhance the attractiveness of the UK as a destination for global financial services, by

making it easier for firms to navigate the UK regulatory landscape and broader barriers to entry;

- work on a package of measures to enable the FCA to support early-stage innovative firms to start conducting regulated activities, including more dedicated support, issuing 'minded to approve' notices to support fundraising, and considering whether the Government can update the legislative framework to allow relevant firms to conduct limited regulated activities with streamlined conditions; and
- strengthen the model of accountability and formalise performance reviews which will be conducted by all sponsoring government departments.

The action plan is intended to enable a regulatory system that supports innovation and economic growth while ensuring accountability for the quality of regulations introduced, and the way in which independent regulators implement and enforce them. The paper also includes a range of pledges from regulators.

## **UK Government publishes draft SI to reform MiFID Org Reg**

The UK Government has published a [near-final draft](#) of the Markets in Financial Instruments (Miscellaneous Amendments) Regulations 2025, which would reform the Markets in Financial Instruments Directive Organisation Regulation (MiFID Org Reg).

At Mansion House 2024, the Chancellor announced plans for further technical changes to the wholesale markets framework. This included revoking detailed firm-facing regulations within the MiFID Org Reg and replacing them in the FCA and PRA rulebooks.

To achieve this, HM Treasury intends to:

- restate elements of the regulation that define regulatory activity; and
- begin revoking firm-facing provisions, delegating them to the regulators.

HM Treasury will do this to align with the FCA and PRA delivering their replacement rules in the second half of 2025. The near-final version of the statutory instrument reflects this approach, maintaining certain sections of the MiFID Org Reg in legislation.

The Government has invited technical comments by 14 April 2024.

## **Chancellor confirms start of procurement process for Digital Gilt Instrument**

The Chancellor of the Exchequer, Rachel Reeves, has [announced](#) details of the launch of the procurement process for the pilot Digital Gilt Instrument (DIGIT) issuance.

HM Treasury and the UK Debt Management Office (DMO) have published a preliminary market engagement notice and further information on the scope of the DIGIT pilot, and are seeking views from potential suppliers, including the financial services sector, to inform the development and delivery of DIGIT.

The engagement questions in the notice are designed to help the Government understand what technological options are available to facilitate an issuance, and how DIGIT can be best designed to stimulate wider development and

adoption of distributed ledger technology (DLT) infrastructure across UK capital markets.

The pilot is intended to:

- enable the Government to explore how DLT can be applied to UK sovereign debt issuance processes; and
- catalyse the development of UK based DLT infrastructure and the adoption of DLT across UK financial markets.

The pilot's initial design features have been set in order to meet these aims and include DIGIT being digitally native, short-dated, issued on a platform operating within the Digital Securities Sandbox (DSS), and independent of the Government's main debt management programme.

Comments are due by 13 April 2025.

### **UK CRR: PRA consults on recognised exchanges**

The PRA has published a consultation paper ([CP3/25](#)) on its recognised exchanges (REs) policy and the transfer of main indices.

The policy proposals included in CP3/25 set out:

- the conditions for identifying REs or assets traded on REs under Article 4(1)(72)(c) of the UK Capital Requirements Regulation (UK CRR);
- the implementation and evaluation proposals of the REs policy;
- the revocation of the PRA's supervisory statement on REs (SS20/13);
- an amendment to the definition of 'higher risk equity exposures' that was included in the PRA's near-final rules implementing the Basel 3.1 standards to make related changes to the near-final treatment of listed equities under the standardised approach for credit risk; and
- the restatement in the PRA glossary of the list of 'main indices' currently situated in Commission Implementing Regulation 2016/1646.

Comments are due by 18 June 2025.

### **UK EMIR: Draft Pensions Fund Clearing Obligation Exemption (Amendment) Regulations 2025 laid**

The draft [Pension Fund Clearing Obligation Exemption \(Amendment\) Regulations 2025](#) have been laid in Parliament according to the affirmative procedure.

The draft Regulations relate to the temporary exemption which pension scheme arrangements currently have from the obligation to clear certain derivative contracts through a CCP under UK EMIR. The draft instrument removes the current expiry date of 18 June 2025 and establishes the exemption on an indefinite basis.

Under the Regulations, pension funds based in the UK and the European Economic Area (EEA) will continue to be exempt from the UK clearing obligation. The Regulations do not make any changes to the exemption's scope or operation.



## **BaFin consults on guidance regarding scope of permitted influence by investors on investment funds**

The German Federal Financial Supervisory Authority (BaFin) has launched a [consultation](#) on the draft of a new guidance note regarding the permitted influence of investors on the set-up of the managed investment fund. The draft note explains the scope of permissible influence by investors on the investment decisions of asset management companies.

According to section 17 of the German Investment Act (Kapitalanlagegesetzbuch – KAGB), asset management companies are responsible for the management of their investment funds. Excessive influence by investors opposes this principle. The guidance note sets out the regulatory limits to the influence exercised by investors on questions of investments and divestments concerning the investment fund.

Comments are due by 31 March 2025 and will be published on BaFin's website.

## **EMIR: CSSF publishes communiqué on rejected reports**

The Luxembourg financial sector supervisory authority (CSSF) has published a [communiqué](#) on rejected reports under EMIR.

The purpose of the communiqué is to highlight recommended controls to prevent the most frequent types of reasons for rejection and remind entities of the importance of avoiding rejected reports when reporting under Article 9 of EMIR.

With its [press release 22/33](#), published on 21 December 2022, the CSSF had already informed all counterparties involved in derivatives transactions, before the entry into force of EMIR REFIT reporting, about changes introduced in the EMIR reporting and about the increased controls implemented by trade repositories to ensure data quality under RTS 2022/1858.

With the communiqué, the CSSF reminds all counterparties involved in derivatives transactions that for a report to be considered valid, it must be accepted by the trade repository.

The CSSF, in the context of its supervisory activities of derivative transactions reported by or on behalf of counterparties falling under its supervision, monitors rejected reports and expects re-submissions for any rejected report to ensure the compliance of the derivative transaction with the reporting requirement introduced by Article 9 of EMIR.

Having analysed the rejection reports received between the entry into force of EMIR REFIT reporting and 31 December 2024, the CSSF has identified the most frequent types of errors and encourages entities to consider certain practices listed in the communiqué when reporting their derivatives to their respective trade repositories.

By reviewing their internal controls, and implementing the improvement practices mentioned above, entities will reduce their rejection rate of transactions reported under Article 9 of EMIR.

The CSSF also reminds entities that:

- in accordance with Article 9 of the implementing technical standards on reporting (ITS 2022/1860), an entity responsible for reporting pursuant to Article 9(1a) to (1d) of EMIR established in Luxembourg is required to

notify the CSSF of any significant reporting issues. The notification process includes the submission of the 'Notification on Data Quality issues and other errors or omissions' as outlined in the [communiqué of 29 April 2024](#); and

- EMIR 3 entered into force on 24 December 2024. EMIR 3 introduces additional powers for national competent authorities to impose administrative penalties or periodic penalty payments for non-compliance with the reporting obligation of EMIR. These administrative penalties or periodic penalty payments shall be imposed when the details reported by the participants repeatedly contain systematic manifest errors.

### **CNMV issues circular amending previous circulars to enhance supervisory practices in relation to collective investment schemes**

The Spanish National Securities Market Commission (CNMV) has published [Circular 1/2025](#), of 5 March, amending Circular 6/2008, of 26 November, on determining the net asset value and operational aspects of collective investment schemes, Circular 11/2008, of 30 December, on accounting standards, annual accounts financial reporting of venture capital entities, and Circular 4/2016, of 29 June, on the functions of depositaries of collective investment schemes and entities regulated by Spanish Law 22/2014, of 12 November.

The circular is intended to update the existing CNMV circulars to enhance supervisory practices, and consists of three rules:

- the first rule amends Circular 6/2008 to, amongst other things, align the rules on performance management fees with the requirements set out in Article 5 of Royal Decree 1082/2012, of 13 July, following (i) its last amendment; and (ii) ESMA's guidelines on performance fees in UCITS and certain types of AIFs;
- the second rule amends Circular 11/2008 in order to, amongst other things: (a) fine-tune accounting rules; (b) require European long-term investment funds (ELTIFs) to comply with the financial information reporting obligation to the CNMV; and (c) regulate the submission of follow-up auditors' reports regarding qualified auditors' opinions on the valuation investments by risk-capital entities via the CIFRADOCC/CNMV service; and
- the third rule amends Circular 4/2016 to require depositaries of UCITS and AIFs to file, in electronic form via the CIFRADOCC/CNMV service, the annual report on the depositary's monitoring and supervision function.

Additionally, all three circulars have been updated to reflect current regulatory references.

The circular will enter into force on 7 April 2025, except for the provisions relating to reserved information statements, which shall apply to reserved information statements as of 31 December 2025.

### **FINMA publishes new circular on consolidated supervision of financial groups**

The Swiss Financial Market Supervisory Authority (FINMA) has published a new [circular](#) (2025/4) on the consolidated supervision of financial groups under the Banking Act (BA) and the Financial Institutions Act (FinIA).

The circular is intended to provide greater clarity on questions of interpretation regarding the scope and content of consolidated supervision of financial groups under the BA and FinIA.

The circular sets out the requirements for the inclusion of group companies in consolidated supervision (regulatory scope of consolidation). The decisive factors are the company's activity in the financial sector and the existence of an economic unit, a legal duty to provide support or a de facto obligation to provide support. Activity in the financial sector generally includes the provision and intermediation of financial services and is not limited to activities that are subject to a licence or registration requirement under Swiss financial market legislation. Inclusion in the regulatory scope of consolidation is independent of the legal form of the company; for example, special purpose vehicles are also included if the requirements are met.

The circular will enter into force on 1 July 2025.

### **FINMA licenses first distributed ledger technology trading facility**

FINMA has [licensed](#) the first DLT trading facility to date, which permits the trading of DLT securities. The licence was granted on the basis of the Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology (DLT Act), which entered into force on 1 August 2021.

As part of the licensing process, FINMA clarified certain underlying issues and required a strategy to ensure business continuity (BCM), including with regard to the settlement infrastructure based on a public blockchain. To limit operational risks, financial market regulation requires the operator to carry out technical checks of the technology used, such as checking the source code used by smart contracts.

### **HKMA publishes research paper on distributed ledger technology in financial sector**

The Hong Kong Monetary Authority (HKMA) has published a [research paper](#) on DLT and its potential to transform the financial landscape.

As part of its 'All banks go Fintech' initiative, the HKMA has been working with other financial regulators to promote the cross-sectoral adoption of fintech, with DLT being a key area of focus. The Supervisory Incubator for DLT has also been established to support authorised institutions (AIs) in responsibly developing DLT solutions.

To illustrate the practical applications of DLT, the paper explores ten real-world adoption cases from leading institutions, covering diverse use cases, such as programmable payments, trade settlement, and digital identity management. It also analyses the potential risks associated with the adoption of DLT and offers recommendations on how to mitigate them. The HKMA encourages all AIs to review the research paper and leverage the insights to explore the innovation of DLT.

### **HKMA provides guidance on selling of accumulators**

The HKMA has issued a [circular](#) to provide guidance on the selling of accumulators. The HKMA has emphasised that the circular does not impose new regulatory requirements, but updates and consolidates, amongst others, requirements on suitability assessments and product disclosure and provides

further guidance on foreign exchange (FX) accumulators. The circular also clarifies the exemptions allowed for institutional professional investors and qualified corporate professional investors in relation to accumulator transactions.

With regard to ensuring compliance with the relevant regulatory requirements when dealing with sophisticated professional investors (SPIs), the circular notes the following:

- authorised institutions can provide reasonable alternative investment products for accumulators and record the investment rationale for investing in accumulators instead of such alternative investment products through the provisions in the product category information statement; and
- authorised institutions can adopt the expected exposure framework in the calculation of gross exposure arising from FX accumulators for the purpose of compliance with the streamlining threshold for an SPI.

Detailed guidance on the selling of accumulators is set out in Annex 1 to the circular, and the relevant superseded HKMA circulars are listed in Annex 2. The circular is effective immediately.

The HKMA has reminded authorised institutions to maintain adequate policies and procedures, internal controls and staff training to ensure compliance with the circular and other applicable regulatory requirements.

### **HKMA and Insurance Authority issue joint circular on indexed universal life insurance products for professional investors**

The HKMA and the Insurance Authority have issued a [joint circular](#) on indexed universal life insurance (IUL) products for professional investors (PIs). The regulators note that IUL products are subject to all requirements in the insurance regulatory framework applicable to Class C (linked long term) business. These include GL15 (Guideline on Underwriting Class C Business) and GL26 (Guideline on Sale of Investment-Linked Assurance Scheme Products) issued by the Insurance Authority, as well as those guidelines cross-referenced in GL15 and GL26, namely GL28 (Guideline on Benefit Illustrations for Long Term Insurance Policies) and GL30 (Guideline on Financial Needs Analysis).

The regulators consider the following pertinent to IUL business:

- whilst many of the provisions in the insurance regulatory framework applicable to Class C (linked long term) business should be applied to IUL business, certain provisions are either not strictly relevant, or the manner of their application needs to be specifically amended to ensure practicality and relevance;
- IUL products also retain features of traditional universal life insurance products. Traditional universal life insurance products are not generally Class C (linked long term) business and are instead subject to, among others, requirements in GL16 (Guideline on Underwriting Long Term Insurance Business (Other Than Class C Business)) rather than GL15. As a result, certain provisions in GL16 should also be applied to IUL business; and
- where IUL products are only offered and sold to customers in the high net worth segment, who satisfy the definition of PIs under Schedule 1 to the Securities and Futures Ordinance and the Securities and Futures

(Professional Investor) Rules, there is room to offset or amend the application of certain requirements in GL15 and GL26.

Provisions from various guidelines issued by the Insurance Authority and how they will (or will not) apply where IUL products are only offered and sold to PIs are contained in the annex to the circular.

## Japanese Government approves proposed amendment of Payment Services Act

The Japanese Government has [approved](#) a cabinet decision to amend the Payment Services Act, aimed at adapting to advancements in financial digitalisation and to promote innovation while ensuring user protection. Key revisions relating to cryptoassets and electronic payment methods as well as funds transfer business include the following:

- the introduction of domestic asset retention orders for cryptoasset exchanges – to ensure domestic users' assets are returned in case of the insolvency of a cryptoasset exchange operator or electronic payment service provider that deals only with physical cryptoassets, the Financial Services Agency (FSA) can issue orders requiring them to retain assets within Japan;
- flexibility in the management and operation of assets backed by trust-type stablecoins (specific trust beneficiary rights) – aligning with international practices, up to 50% of the issuance amount of trust-type stablecoin backing assets is allowed to be managed through government bonds and fixed deposits, **provided that** the arrangement is established so that principal is not damaged;
- the establishment of an intermediary business related to transactions of cryptoassets, etc. – a new registration-based intermediary business will be established to solely facilitate connections between users with cryptocurrency exchange operators or electronic payment service providers. The intermediaries will be subject to the same regulations as cryptocurrency exchange operators regarding user explanation obligations and advertising restrictions. Since intermediaries do not hold users' assets, no capital requirement will be applicable. Anti-money laundering regulations will not apply to intermediaries either, as it is expected that AML checks will be conducted by the cryptocurrency exchange operators or electronic payment service providers involved in the transaction;
- the application of regulations on cross-border collection agencies – for payment collection agents conducting international remittances for transactions they are not directly involved in, regulations applicable to funds transfer businesses will be applied to address user protection and risks related to money laundering etc.; and
- the diversification of methods for returning user funds in the event of insolvency, etc. – to ensure the prompt return of user funds in the event of the insolvency of a funds transfer business operator, enhanced asset protection measures will be introduced so that funds held by a trust bank or guaranteed by a bank are immediately and directly returned to the users by such banks.

## **RECENT CLIFFORD CHANCE BRIEFINGS**

### **Thames Water – Court of Appeal upholds the restructuring plan**

On 17 March, the English Court of Appeal dismissed an appeal against the interim restructuring plan proposed by Thames Water, and supported by its Class A creditors.

The plan, which was originally sanctioned (i.e. approved) by the first instance court on 18 February, was therefore confirmed by the Court of Appeal.

This briefing paper discusses the decision and next steps.

<https://www.cliffordchance.com/briefings/2025/03/thames-water-court-of-appeal-upholds-the-restructuring-plan.html>

### **Japan's inaugural AI regulations – A pro-innovation approach**

Japan's new AI regulations aim to foster AI research and development while ensuring ethical use and the protection of citizens' rights, emphasising collaboration among government, businesses and citizens, rather than imposing stringent requirements.

This briefing paper discusses the proposals.

<https://www.cliffordchance.com/briefings/2025/03/japan-s-inaugural-ai-regulations-a-pro-innovation-approach.html>

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