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### **Omnibus Simplification Package: CSRD and CSDDD stop-the-clock Directive published in Official Journal**

[Directive \(EU\) 2025/794](#), which forms part of the first omnibus package (Omnibus I), has been published in the Official Journal.

The 'stop-the-clock' Directive postpones:

- by two years the entry into application of the Corporate Sustainability

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Reporting Directive (CSRD) requirements for large companies that have not yet started reporting, as well as for listed SMEs; and

- by one year the transposition deadline and the first phase of the application (covering the largest companies) of the Corporate Sustainability Due Diligence Directive (CSDDD).

The Directive entered into force on 17 April 2025. Member States must transpose it into their national legislation by 31 December 2025.

### **Savings and Investments Union: EU Commission launches targeted consultation on integration of EU capital markets**

The EU Commission has launched a [targeted consultation](#) to gather feedback on obstacles to capital markets integration across the EU, as part of its Savings and Investments Union (SIU) strategy.

The Commission is calling on stakeholders to provide their views, facts, and evidence on:

- barriers in general to the integration and modernisation of trading and post-trading infrastructures, the distribution of funds across the EU and efficient cross-border operations of asset management; and
- barriers specifically linked to supervision, harmonising supervisory practices, as well as on simplification.

Comments are due by 10 June 2025. The feedback will inform a package of measures the Commission intends to present in Q4 2025.

### **European Green Bonds: EU Commission adopts Delegated Regulations on voluntary information disclosure by issuers and ESMA fees, fines and penalties for external reviewers**

The EU Commission has adopted three Delegated Regulations supplementing Regulation (EU) 2023/2631 on European Green Bonds by specifying:

- the [content, methodologies, and presentation](#) of the information to be voluntarily disclosed by issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds in the templates for periodic post-issuance disclosures;
- the [type of fees](#) to be charged by the European Securities and Markets Authority (ESMA) to external reviewers of European Green Bonds, the matters in respect of which fees are due, the amount of the fees, and the manner in which those fees are to be paid; and
- [rules of procedure](#) for the exercise of the power to impose fines or periodic penalty payments by ESMA on external reviewers.

### **ESMA publishes implementing rules on liquidity management tools for funds**

ESMA has published its final [draft regulatory technical standards](#) (RTS) and [final guidelines](#) on liquidity management tools (LMTs) under the revised Alternative Investment Fund Managers Directive (AIFMD) and the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive.

The draft RTS on the characteristics of LMTs define the constituting elements of each LMT, such as calculation methodologies and activation mechanisms. The draft guidelines on LMTs of UCITS and open-ended AIFs address how managers should select and calibrate LMTs, considering their investment strategy, liquidity profile, and the redemption policy of the fund.

The draft RTS and guidelines are intended to promote convergent application of the directives for both UCITS and open-ended AIFs and to equip EU fund managers better to manage the liquidity of their funds. They also aim to clarify the functioning of specific LMTs, such as the use of side pockets, a practice that currently varies significantly across the EU.

The draft RTS have been submitted to the EU Commission for adoption. ESMA will translate the guidelines after the Commission has adopted the RTS. National authorities will have two months to notify ESMA of their compliance or intention to comply. The guidelines will apply from the RTS's entry into force, with previously existing funds given twelve months to comply.

## **FSB finalises common Format for Incident Reporting Exchange**

The Financial Stability Board (FSB) has published its finalised [Format for Incident Reporting Exchange \(FIRE\)](#) to streamline cyber and operational incident reporting. By introducing a standardised format, FIRE is intended to address the fragmentation in reporting requirements and alleviate the burden on firms that operate across multiple jurisdictions.

FIRE builds on the FSB's 2023 recommendations to achieve greater convergence in cyber incident reporting. The FSB believes that converging reporting practices will address operational challenges arising from reporting to multiple authorities and foster better communication within and across jurisdictions. FIRE provides a set of common information items for reporting incidents but does not define common reporting triggers, deadlines or mitigation approaches.

## **UK regulators publish eighth edition of Regulatory Initiatives Grid**

The Financial Services Regulatory Initiatives Forum has published the eighth edition of the [Regulatory Initiatives Grid](#), which sets out the planned timetable for key initiatives in the regulatory landscape with the aim of supporting greater regulatory coordination.

The previous publication, due in May 2024, was postponed following the announcement of the general election. Although the Forum published an interim update in October 2024, the eighth edition reflects the reprioritisation that has taken place since the new Government came to power.

Among the initiatives included in the eighth edition of the Grid are those which are intended to support growth, competitiveness, investment and innovation, while maintaining financial stability and consumer protection. Examples include the Bank of England's Digital Securities Sandbox and the Prudential Regulation Authority (PRA)'s Matching Adjustment Investment Accelerator.

The Grid includes additional information where changes to the regulators' work programme could have a significant impact on firms' planning. For example, in January 2025, the PRA (in consultation with HM Treasury) announced its decision to delay implementation of Basel 3.1 by 1 year to 1

January 2027 to allow greater clarity to emerge about plans for implementation in the United States. The PRA has set out the timetable for files impacted by the Basel 3.1 delay in the Grid publication, particularly the delivery of Strong and Simple.

## **FCA consults on product information for Consumer Composite Investments**

The Financial Conduct Authority (FCA) has published a consultation paper ([CP25/9](#)) on further proposals on product information for Consumer Composite Investments (CCIs).

CP25/9 follows the FCA's initial CCI consultation (CP24/30), which put forward proposals for a new product information regime for CCIs and indicated that draft rules concerning consequential changes to other Handbook materials and draft transitional provisions or amendments to the transaction costs methodology would be addressed in a subsequent consultation.

The second consultation covers:

- removing the requirement for firms to calculate and disclose implicit transaction costs;
- simplifying overall cost disclosures by aligning other cost disclosure rules with CCI requirements;
- consequential amendments to other parts of the FCA Handbook resulting from the new CCI rules; and
- provisions for the transitional period until the CCI regime is fully operational.

Comments are due by 28 May 2025.

## **Transforming data collection: FCA consults on removing certain reporting and notification requirements**

The FCA has published a consultation paper ([CP25/8](#)) on a proposal to decommission certain regular returns and remove the relevant sections from SUP 16 in the FCA handbook.

The FCA has identified three regular returns as viable for decommissioning:

- Form G: The Retail Investment Adviser Complaints Notifications Form;
- FSA039: Client Money and Assets; and
- Section F RMAR.

The FCA has determined that these returns no longer serve a critical supervisory function. It is also consulting on a proposal to remove reporting instructions from SUP 16 related to returns that have already been removed from its scheduling rules.

Comments are due by 14 May 2025.

## **CSSF publishes new communiqué on definition of ICT services under DORA and new forms for ICT-third party and outsourcing arrangements**

The Commission de Surveillance du Secteur Financier (CSSF) has published a [communiqué](#) on the definition of 'ICT services' under the Digital Operational

Resilience Act (DORA) and new forms for ICT-third party arrangements / ICT outsourcing arrangements.

The communiqué draws the attention of all supervised entities to the EU Commission's answer to question DORA030 of the European Supervisory Authorities (ESAs)' joint Q&As on what types of services should be considered 'ICT services' based on the definition set out in DORA, which intentionally maintains a broad scope. The CSSF strongly recommends that supervised entities review the Commission's answer in detail as it may concern them, either as an entity in scope of DORA or as a service provider of entities in scope of DORA.

Further, the communiqué clarifies that financial services provided by professionals of the financial sector (PFS) other than those covered by Articles 29-3 to 29-6 of the Luxembourg law of 5 April 1993 on the financial sector, as amended (FSL) are not to be considered an ICT service within the meaning of DORA. However, services offered by PFS which are covered by Articles 29-3 to 29-6 FSL, considering the nature of these services, must be considered as ICT services within the meaning of DORA in all cases, even though they are provided by a regulated financial entity.

In addition, the communiqué draws supervised entities' attention to the publication of a new notification form for financial entities subject to DORA to notify the CSSF, in accordance with Article 28(3) of DORA, in a timely manner about (a) any planned contractual arrangement regarding the use of ICT services supporting critical or important functions, as well as when (b) a function has become critical or important. This form must be used for such notifications as of 9 April 2025. However, in order not to penalise entities that are well advanced in the preparation of a notification based on the previous form, the previous form may be used during a transitional period until 10 May 2025. After this date only notifications received in the new form will be considered as notified in line with the instructions and forms available in accordance with sub-chapter 2.1 of the new CSSF Circular 25/882.

Finally, the CSSF notes that for supervised entities not subject to DORA, the requirements of CSSF Circular 22/806, as amended by the new CSSF Circular 25/883 remain applicable, and that therefore they shall continue to submit notifications using a dedicated updated form.

### **CSSF publishes new communiqué on update of several circulars related to ICT risk management and the use of ICT third parties / ICT outsourcing**

The CSSF has published a [communiqué](#) on the update of several CSSF circulars related to ICT risk management and the use of ICT third parties / ICT outsourcing.

The purpose of the communiqué is to inform all supervised entities of important updates concerning the provisions of several CSSF circulars. These updates follow the entry into application of DORA. However, the CSSF has emphasised that the updates not only concern entities falling in the scope of DORA and supervised by the CSSF (DORA entities), but also other entities supervised by the CSSF (non-DORA entities).

As Circular CSSF 20/750 on ICT and security risk management and Circular CSSF 22/806 on outsourcing arrangements overlapped partially or entirely

with DORA, the updates were necessary to provide enhanced clarity and transparency to the market.

Amongst other things, DORA has introduced harmonised requirements for ICT risk management frameworks. With a view to reducing the overlap with DORA, the European Banking Authority (EBA) has reviewed its existing guidelines on ICT and security risk management EBA/GL/2019/04 and decided to issue new guidelines amending EBA GL/2019/04 on ICT and security risk management (EBA GL 2025/02).

With its Circular 25/880 the CSSF decided to adopt these new guidelines, which are addressed only to payment services providers, and to add to this implementation the reporting requirement of Article 105-1(2) of the Luxembourg law of 10 November 2009 on payment services, as amended.

In addition, the requirements of CSSF Circular 20/750 which were also applicable to non-DORA entities, remain applicable to them. The new CSSF Circular 25/881 provides for a coherent update.

DORA has introduced harmonised requirements on the use of ICT third-party services, including ICT outsourcing services, which are also in the scope of CSSF Circular 22/806 on outsourcing. In order to remove this overlap, the CSSF has decided to:

- amend CSSF Circular 22/806 on outsourcing arrangements regarding the provisions relating to ICT outsourcing, which – for DORA entities – are largely replaced by the DORA provisions on ICT third-party risk management; and
- issue a new CSSF Circular 25/882 on requirements on the use of ICT third-party services for DORA entities, which contains practical modalities regarding the reporting obligations for new critical or important ICT third party arrangements and for the register of information, as well as a specific chapter on the use of ICT services which retains some elements from CSSF Circular 22/806 that are not covered in DORA but are still relevant and necessary to confirm to entities.

## **China releases implementation rules for administration of programme trading**

The PRC stock exchanges, i.e. the [Shanghai Stock Exchange](#), [Shenzhen Stock Exchange](#), and [Beijing Stock Exchange](#), have all issued their implementation rules for the administration of programme trading, which provide detailed guidance following the promulgation of the ‘Administrative Provisions on Programme Trading in the Securities Market’ by the China Securities Regulatory Commission in 2024. The substantive requirements under these rules are largely consistent with each other and will take effect from 7 July 2025.

Amongst other things, the new rules cover:

- reporting requirements – programme trading investors should report detailed account information, including basic account details, funding sources, trading strategies, software used, and contact information. Any material changes, such as alterations in funding scale or trading strategies, require prompt updates. Members of the exchanges are responsible for verifying the accuracy of their client information and ensuring compliance with reporting obligations. They shall establish mechanisms to monitor and

identify clients who meet the relevant reporting criteria and ensure timely submission of reports. In addition, programme trading investors who engage in swap trading or similar activities and conduct programme trading through their own accounts must report the relevant client information as required by the exchanges. Failure to comply may result in the suspension of trading activities;

- abnormal trading control – the exchanges will generally monitor abnormal trading activities characterised by the following features: (a) abnormal instantaneous submission rates, (b) frequent instantaneous cancellations, (c) frequent small-scale price manipulation, and (d) large transactions within short periods. These activities will be closely monitored to prevent market manipulation and ensure fair trading practices;
- IT system management – members of the exchanges and other institutions using trading units should establish robust information technology management systems to ensure system performance, security, and emergency response capabilities. These systems should meet technical specifications, including the capacity to handle market demands, risk control functions, and effective emergency procedures. Regular testing and risk assessments are required to maintain system integrity. In addition, members of the exchanges and other institutions using trading units must monitor real-time transaction results and take immediate action if significant anomalies are detected;
- HFT management – high-frequency trading (HFT) is defined as programme trading where the maximum bidding rate exceeds 300 trades per second or the maximum bidding number within a single day exceeds 20,000 trades. HFT is subject to particular supervision, including stricter reporting requirements, higher fees, and enhanced monitoring. Investors should report additional information, such as server locations, system test reports and emergency plans to the relevant exchange; and
- northbound investors' programme trading activities (on SSE and SZSE only) – northbound investors under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect should report account and trading strategy details to the Hong Kong Stock Exchange, which will then forward the information to the relevant PRC exchange. These investors are subject to the same monitoring standards as PRC domestic investors, including reporting requirements and abnormal trading controls. The relevant PRC exchanges will collaborate with the Hong Kong Stock Exchange to ensure compliance and address any irregularities.

## **HKMA revises SPM module on collateral and guarantees**

The Hong Kong Monetary Authority (HKMA) has published a [revised version](#) of its supervisory policy manual (SPM) module 'CR-G-7: Collateral and Guarantees'. The HKMA has revised the SPM module primarily to:

- address the increasing complexity of authorised institutions' credit activities;
- reflect the property valuation requirements in respect of real estate exposures set out in paragraph 20.75(2) of CRE20 under the Basel III final reform package; and

- ensure consistency with the related guidance set out in the Financial Stability Board (FSB) principles for sound residential mortgage underwriting practices issued in April 2012.

The guidance set out in the revised SPM module will apply to all authorised institutions on a proportionate basis, having regard to the nature, scale, complexity, and credit risk profile of their credit activities and credit risk mitigants. The HKMA expects authorised institutions to review whether their risk management systems are consistent with the relevant guidance in the revised SPM module and complete any necessary changes within two years from the date of issuance of the revised SPM module.

### **HKMA, HKPF and HKAB jointly announce new measures to strengthen response to fraud and money laundering**

The HKMA, the Hong Kong Police Force (HKPF) and the Hong Kong Association of Banks (HKAB) have jointly [announced](#) new measures to prevent, detect and disrupt financial crime, in an effort to address the evolving nature of fraud and align with international good practices. Amongst other things, the new measures include the following:

- expanded use of Scameter data – to enable banks to identify more suspicious accounts and alert more potentially at-risk customers so that they can take action to mitigate risks, the HKMA and the HKPF have expanded the use of Scameter data. Banks are expected to combine this with network analytics capabilities to identify and share data on additional mule account networks;
- bank-to-bank information sharing – the HKMA has recently introduced legislative amendments to enable bank-to-bank information sharing when banks become aware of activity that may indicate possible prohibited conduct, including money laundering and terrorist financing. The HKMA has indicated that, while some banks are already sharing information via the Financial Intelligence Evaluation Sharing Tool platform operated by the HKPF, an updated platform capable of accommodating increased information exchanges is intended to be operational by the end of 2025;
- sharing of good anti-fraud practices with banks – to improve the effectiveness of banks' systems in preventing, detecting, and disrupting fraud and scam-related money laundering activities, the HKMA has shared good practices in banks' anti-fraud and anti-money laundering systems;
- thematic reviews to support banks in building effective anti-fraud controls – the HKMA will work collaboratively with banks to review system performance through thematic reviews, and establish a regular communication platform with the industry to continuously strengthen the banking sector's ability to detect mule account networks; and
- enhanced publicity and education efforts – the HKMA, the HKPF and the banking industry will strengthen publicity and education efforts to disseminate messages to customers regarding 'Don't Lend/Sell Your Account'. These include outreach activities to targeted segments and enhanced industry coordination through the formation of the Anti-fraud Education Taskforce by the HKAB, comprising 18 major banks.



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