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MiCA: EU Commission adopts RTS on market abuse

The EU Commission has adopted a [Delegated Regulation](#) setting out regulatory technical standards (RTS) under the Markets in Cryptoassets Regulation (MiCA) to specify the arrangements, systems and procedures to prevent, detect and report market abuse, the templates to be used for reporting suspected market abuse, and the coordination procedures between the competent authorities for the detection and sanctioning of market abuse in cross-border market abuse situations.

MiCA: ESMA publishes final guidelines on preventing market abuse

The European Securities and Markets Authority (ESMA) has published its [final guidelines](#) on supervisory practices to prevent and detect market abuse under MiCA.

The guidelines, which are intended for national competent authorities (NCAs) and based on ESMA's experience under the Market Abuse Regulation (MAR), include general principles for effective supervision and specific practices for detecting and preventing market abuse in cryptoassets.

The guidelines set out general principles requiring supervisory activity to be risk-based and proportionate, and set the objective for NCAs to build a common supervisory culture specific for cryptoassets through an open dialogue with the industry and interactions with other NCAs. The guidelines are intended to support consistent and efficient supervisory practices among NCAs and to ensure a common supervisory culture for cryptoassets.

The guidelines will now be translated into the official EU languages and will start applying three months after the publication of the translations. However, ESMA has recommended that NCAs already start implementing the principles included in the guidelines whilst waiting for the translations.

MLD4: EBA publishes draft RTS to define when CASPs have to appoint a central contact point

The European Banking Authority (EBA) has published its [final report](#) on draft RTS amending Commission Delegated Regulation (EU) 2018/1108 on the criteria for the appointment of central contact points for electronic money issuers and payment service providers and with rules on their functions under Article 45(10) of the Fourth Money Laundering Directive ((EU) 2015/849) (MLD4).

The draft RTS follow Regulation (EU) 2023/1113 on information accompanying transfers of funds and certain cryptoassets, which extended the scope of MLD4 to cryptoasset service providers (CASPs), and set out:

- the conditions under which CASPs should appoint a central contact point; and
- the roles and responsibilities of that central contact point.

CRR3: EBA consults on draft amending RTS on factors for assessing appropriateness of real estate risk weights

The EBA has launched a public [consultation](#) on its draft amending RTS on the types of factors to be considered by national authorities in assessing the

appropriateness of real estate risk weights under the Capital Requirements Regulation (CRR).

Based on its assessment of the CRR3 changes to the treatment of exposures secured by immovable property, the only amendment to the existing RTS proposed by the EBA consists in updating the relevant legal references to align with the new banking framework.

The original RTS were delivered jointly with another set of technical standards on the appropriateness of the minimum loss given default (LGD) values for retail exposures secured by immovable property. For the sake of simplification and regulatory consistency, the EBA is therefore proposing to align both RTS with CRR3.

Comments are due by 30 May 2025.

ESMA consults on transparency and integrity of ESG rating activities

ESMA has launched a [consultation](#) on draft RTS under the ESG Rating Regulation.

In particular, the draft RTS cover the following aspects that apply to ESG rating providers:

- the information that should be provided in the applications for authorisation and recognition;
- the measures and safeguards that should be put in place to mitigate risks of conflicts of interest within ESG rating providers who carry out activities other than the provision of ESG ratings; and
- the information that they should disclose to the public, rated items and issuers of rated items, as well as users of ESG ratings.

Comments are due by 20 June 2025. ESMA expects to publish a final report and submit the draft RTS to the EU Commission for adoption in October 2025.

Basel Committee revises credit risk principles

The Basel Committee on Banking Supervision (BCBS) has revised its [principles for the management of credit risk](#). The principles provide guidelines for banking supervisory authorities to evaluate banks' credit risk management processes in the following areas:

- establishing a suitable credit risk environment;
- operating under a sound credit-granting process;
- maintaining an appropriate credit administration, measurement and monitoring process; and
- ensuring adequate controls over credit risk.

The principles were first published 25 years ago and have been updated following a review to align them with the current Basel Framework and the latest guidelines issued by the Committee.

HM Treasury publishes draft SI on new regulated activities for cryptoassets

HM Treasury has published the [draft Financial Services and Markets Act 2000 \(Regulated Activities and Miscellaneous Provisions\) \(Cryptoassets\) Order 2025](#), accompanied by an [explanatory policy note](#).

This follows the Treasury's October 2023 proposals for creating a UK financial services regulatory regime for cryptoassets, including stablecoins. On 21 November 2024, the Government confirmed that it will proceed with introducing this regime, which will see the creation of new regulated activities such as operating a cryptoasset trading exchange and stablecoin issuance, as well as market abuse and admissions and disclosures regimes.

HM Treasury welcomes any technical comments on the draft Order by 23 May 2025. The Government intends to publish statutory provisions for the market abuse and admissions and disclosures regimes in due course.

The Chancellor of the Exchequer, Rachel Reeves, announced the draft legislation in a [speech](#) to mark UK Fintech Week, in which she also indicated that the Government has identified fintech as a priority and that the UK and US will use the upcoming UK – U.S. Financial Regulatory Working Group to continue engagement to support the use and responsible growth of digital assets.

FCA seeks views on regulating cryptoasset activities

The Financial Conduct Authority (FCA) has published a discussion paper ([DP25/1](#)) seeking views on its approach to regulating cryptoasset trading platforms, intermediaries, cryptoasset lending and borrowing, staking and decentralised finance, and the use of credit to purchase cryptoassets.

DP25/1 is part of a series of publications, as outlined in the FCA's Crypto roadmap, aimed at shaping the UK's cryptoasset regulatory framework and will help inform the development of future FCA rules. The FCA's aim is to drive sustainable, long-term growth for crypto firms operating in the UK and providing services to UK consumers, while delivering appropriate levels of market integrity and consumer protection.

Comments on DP25/1 are due by 13 June 2025.

The FCA will use the feedback it receives to determine next steps and shape its final policy proposals. It intends to publish a consultation paper on any of the measures outlined in DP25/1 that it proposes to adopt as part of its final rules.

In Q2 2025, the FCA will also be launching a consultation on the proposed rules and guidance for issuing a qualifying stablecoin, safeguarding qualifying cryptoassets and specified investment cryptoassets. This will be published alongside a consultation on the prudential framework for cryptoassets and prudential requirements for qualifying stablecoins and safeguarding.

FCA seeks views on live AI testing service

The FCA has published an [engagement paper](#) seeking views on its proposal for artificial intelligence (AI) live testing.

The live testing service would be a new component of the FCA's AI Lab and is intended to allow firms to collaborate with the FCA while they check that their

new AI tools are ready to be used and to provide the FCA with intelligence to better understand how AI may impact UK financial markets.

The live testing service will provide regulatory support to firms who are ready to deploy consumer or market-facing AI models. The proposed live testing service would run for 12 to 18 months, with plans to launch in September 2025.

Comments on the engagement paper are due by 10 June 2025.

FCA publishes finalised guidance for insolvency practitioners on how to approach regulated firms

The FCA has updated its non-Handbook guidance for insolvency practitioners on how to approach insolvencies of regulated firms.

[FG25/2](#) is intended to help insolvency practitioners comply with FCA rules and guidance and relevant legislation, to achieve better outcomes for consumers and market participants when a regulated firm fails.

FG25/2 is effective from 28 April 2025.

Debanking: Draft Payment Services and Payment Accounts (Contract Termination) (Amendment) Regulations 2025 laid

The [draft Payment Services and Payment Accounts \(Contract Termination\) \(Amendment\) Regulations 2025](#) have been laid in Parliament according to the affirmative procedure.

The draft SI amends the Payment Services Regulations 2017 (PSRs) to impose new requirements on payment service providers (PSPs) in relation to the termination of framework contracts for payment services concluded for an indefinite period and entered into on or after 28 April 2026.

In particular, PSPs will be required to give customers at least 90 days' notice before closing their account or terminating a payment service and to provide a clear explanation to customers in writing.

Bank resolution: BoE revokes technical standard on simplified obligations

The Bank of England (BoE) has made the [Bank Resolution Standards Instrument: The Technical Standards \(Simplified Obligations\) Instrument 2025](#), which revokes the on-shored UK Technical Standard 2019/348 on Simplified Obligations (SO UKTS).

Between December 2024 and January 2025, the BoE consulted on revoking the SO UKTS, which sets out the process for determining whether SO can be imposed in respect of recovery and resolution plans, on the basis that the BoE can achieve the same outcomes when following the separate, existing process for setting a preferred resolution strategy of modified insolvency. The Bank did not receive any formal responses or queries. Consequently, the Bank has proceeded to revoke the SO UKTS in line with the approach set out in the consultation.

PRA consults on enhancing banks' and insurers' approaches to managing climate-related risks

The Prudential Regulation Authority (PRA) has published a consultation paper ([CP10/25](#)) setting out its proposals for updated supervisory expectations for banks and insurers in relation to climate change.

The PRA first set out its supervisory expectations for how banks and insurers should enhance their approaches to managing the financial risks from climate change in its April 2019 supervisory statement SS3/19.

Since those expectations were issued, the PRA has observed that banks and insurers have taken concrete and positive steps to improve their capabilities. However, it notes that firms' levels of readiness to manage climate-related risks and embedding vary and its overall assessment is that firms need to make further progress.

CP10/25 includes a new [draft supervisory statement](#) to replace SS3/19, which covers:

- governance;
- risk management;
- climate scenario analysis;
- data;
- disclosures;
- banking-specific issues; and
- insurance-specific issues.

Comments are due by 30 July 2025

BaFin consults on draft General Decree on Remuneration Notices for Investment Firms

The Investment Firms Directive (IFD) stipulates rules for remuneration notices by investment firms, which have been further specified by guidelines issued by the European Banking Authority (EBA), in particular EBA/GL/2022/06, EBA/GL/2022/07 and EBA/GL/2022/08 on the comparison of remuneration practices, gender pay-gap and the approved maximum value for the ratio applicable to large and medium-sized investment firms, respectively.

The EBA guidelines will be implemented into the Investment Firms Act (Wertpapierinstitutsgesetz – WpIG) and the German Regulation on the Disclosure of Investment Firms (Wertpapierinstituts-Anzeigenverordnung – Wpl-AnzV). However, this process will not be completed by 31 July 2025, which is the date by which notifications must be made at the latest.

Accordingly, the German Federal Financial Supervisory Authority (BaFin) has launched a [consultation](#) on a general decree on remuneration notices for investment firms. A similar general decree had been issued in 2024. In addition to the content of the previous general decree, large investment firms will be obliged to report not only income millionaires but also a rise in bonus caps.

Comments are due by 8 May 2025.

Polish Ministry of Finance publishes draft Act Amending Act on Investment Funds and Management of Alternative Investment Funds

The Ministry of Finance has published a [draft Act](#) Amending the Act on Investment Funds and the Management of Alternative Investment Funds. The purpose of the amendment is to eliminate overregulation with respect to the activities of the depositary of an investment fund and an alternative investment company.

The draft provides for the elimination of provisions requiring the depositary of an investment fund to verify compliance of the operation of an investment fund with the provisions of law governing the activity of investment funds or with the statutes, taking into account the interests of the participants and requiring the depositary of an alternative investment company to verify compliance of the operation of an alternative investment company with the provisions of law or internal regulations of the AIF and with consideration for the interests of investors.

The draft has been submitted for consultation and agreement.

SFC and HKMA provide updates on OTC derivatives reporting requirements

The Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) have published further updated versions of the [administration and interface development guide](#) (AIDG), [frequently asked questions](#) (FAQs) and the [supplementary reporting instructions](#) (SRI), as part of their communications on enhancements to Hong Kong's over-the-counter (OTC) derivatives reporting requirements. The updates are intended to clarify industry participants' questions and address their concerns on the implementation of the enhanced reporting requirements, which will take effect from 29 September 2025.

A notice has been published in the government gazette to give legal effect to the mandatory data elements for OTC derivatives reporting. This notice, effective from 29 September 2025, supersedes the previous notice G.N. 3344 published in the government gazette on 30 June 2022.

Reporting entities are reminded to refer to the updated AIDG, FAQs and SRI, in conjunction with the gazette notice, for the detailed requirements, and make best efforts to prepare for the upcoming implementation.

SFC announces formal adoption of fast-track authorisation for simple investment funds

The SFC has [announced](#) that the Fund Authorisation Simple Track (FASTrack) will be formally adopted from 5 May 2025 onwards, following a six-month pilot ending on 4 May 2025.

Launched on 4 November 2024, FASTrack is designed for simple funds that are domiciled and regulated in jurisdictions which have mutual recognition of funds arrangements with the SFC and apply for authorisation for public offering in Hong Kong. The initiative is intended to enhance authorisation efficiency by granting fund authorisation within fifteen business days upon receiving complete and quality submissions from applicants.

The SFC has indicated that it will continue to monitor and enhance the operation of FASTrack where appropriate.

SFC proceeds with position limit increase for key stock index derivatives

The SFC has published the [conclusions](#) to its February 2025 consultation on the proposed increase of position limits for exchange-traded derivatives based on the three major stock indices in Hong Kong.

Under the consultation, the SFC proposed to increase the current position limits for the futures and options contracts by: (i) 50% to 15,000 position delta for Hang Seng Index; (ii) 108% to 25,000 position delta for Hang Seng China Enterprises Index; and (iii) 43% to 30,000 position delta for Hang Seng TECH Index.

Based on the feedback received, the SFC will proceed with the implementation of this proposal in order to better serve the needs of market participants while ensuring the stability and integrity of the Hong Kong financial market. To facilitate the implementation, the SFC will amend the Securities and Futures (Contracts Limits and Reportable Positions) Rules, as well as the Guidance Note on Position Limits and Large Open Position Reporting Requirements.

Subject to the legislative process, the new position limits are expected to take effect in July 2025.

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This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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