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### Benchmarks Regulation: EU Parliament adopts amending regulation

The EU Parliament has [formally approved](#) a regulation amending the Benchmarks Regulation as regards the scope of the rules for benchmarks, the

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use of benchmarks provided by administrators located in third countries, and certain reporting requirements. This follows a deal agreed with the EU Council in December 2024 and the Council's formal approval of the legislation in March 2025.

Among other things, the amended regulation:

- removes administrators of benchmarks defined as non-significant in the EU from the scope of the rules, reducing regulatory burden;
- keeps only critical or significant benchmarks within scope;
- permits administrators outside the scope of the rules to be able to request the voluntary application of the rules (opt-in), under certain conditions;
- extends competence for the European Securities and Markets Authority (ESMA);
- requires administrators of EU Climate Transition Benchmarks and EU Paris-Aligned Benchmarks to be registered, authorised, recognised, or endorsed to ensure regulatory oversight and prevent misleading ESG claims; and
- introduces a specific exemption regime for spot foreign exchange benchmarks.

The regulation will enter into force on the twentieth day following that of its publication in the Official Journal and will apply from 1 January 2026.

### **EU Council agrees negotiating mandate on transition to T+1 settlement by 11 October 2027 with proposed exemption for SFTs**

The EU Council's Committee of Permanent Representatives (Coreper) has [approved](#) the Council's negotiating mandate on the EU Commission's proposal for a regulation amending the Central Securities Depositories Regulation (CSDR) to shorten the settlement period for EU transactions in transferable securities from two days (T+2) to one (T+1).

The Council is proposing to amend the original Commission proposal by exempting securities financing transactions (SFTs) from the settlement cycle requirement. The Council believes SFTs should be exempt from the T+1 settlement cycle because of their non-standardised nature and the non-standardised settlement periods that may need to be agreed to by the parties to such transactions to achieve their objectives. However, in order to avoid any risks of circumvention of the T+1 settlement cycle requirement, the Council has stressed that the exemption should only apply if SFTs are documented as single transactions composed of two linked operations.

Following the approval of the Council's negotiating mandate by Coreper, the Council Presidency can start trilogue negotiations with the EU Parliament in order to reach a common position. Once agreed, the new rules will apply from 11 October 2027.

### **CRR: Delegated Regulation amending RTS on standardised approach for counterparty credit risk published in Official Journal**

[Commission Delegated Regulation \(EU\) 2025/855](#) amending the regulatory technical standards (RTS) laid down in Delegated Regulation (EU) 2021/931 as regards the specification of the formula for calculating the supervisory delta

of call and put options mapped to the commodity risk category under Article 279a(3) of the Capital Requirements Regulation (CRR) in the standardised approach for counterparty credit risk (SA-CCR) has been published in the Official Journal.

The Delegated Regulation will enter into force on 25 May 2025.

### **CRR: Delegated Regulation amending RTS on market risk published in Official Journal**

[Commission Delegated Regulation \(EU\) 2025/878](#) amending the regulatory technical standards (RTS) laid down in Delegated Regulation (EU) 2022/2059, Delegated Regulation (EU) 2022/2060 and Delegated Regulation (EU) 2023/1577 as regards the technical details of back-testing and profit and loss attribution requirements, the criteria for assessing the modellability of risk factors, and the treatment of foreign-exchange risk and commodity risk in the non-trading book has been published in the Official Journal.

The amended RTS are intended to align with CRR3 and ensure stability in the applicable regulatory framework. In particular, they:

- remove from the profit and loss attribution test the aggregation formula for computing the total own funds requirements for market risk for an institution using the alternative internal model approach, as this formula has now been introduced in CRR3;
- ensure that institutions are able to identify how far they rely on a third-party vendor for the purpose of assessing the modellability of a risk factor; and
- ensure that translation risk is duly captured by institutions in relation to the treatment of foreign exchange and commodity risk in the non-trading book.

The Delegated Regulation will enter into force on 28 May 2025.

### **MiFIR: EU Commission adopts Delegated Regulations on ESMA's powers regarding consolidated tape providers and its supervisory fees**

The EU Commission has adopted two Delegated Regulations reflecting the MiFIR reform which removed obstacles to the emergence of consolidated tape providers (CTPs) in the EU and set timelines for ESMA's selection and authorisation of CTPs for bonds, equity and OTC derivatives.

In particular, the two Delegated Regulations:

- amend Delegated Regulation (EU) 2022/803 as regards the rules of procedure for the exercise of ESMA's power to impose fines or periodic penalty payments to ensure that the scope of application of these rules for the supervision of data reporting services providers (DSRPs) includes CTPs ([C\(2025\)2691](#)); and
- amend Delegated Regulation (EU) 2022/930, which specifies the fees that ESMA may charge in relation to its supervision of DRSPs, to ensure that it covers CTPs ([C\(2025\)2687](#)).

### **EU Commission seeks views on sustainable finance disclosure**

The EU Commission has published a [call for evidence](#) to inform an impact assessment on its review of Sustainable Finance Disclosure Regulation (SFDR).

The overarching objective of the review is to improve the functioning of the SFDR by simplifying the framework, enhancing its usability and preventing greenwashing. The focus will be on addressing undue burdens and simplifying and streamlining requirements, including reducing the burden of ESG reporting for financial market participants to focus on the information that is most meaningful for investors.

The review is intended to increase legal clarity and ensure overall coherence of the rules within the sustainable finance framework, including the proposed measures to simplify sustainability reporting for companies. The review will seek to adapt the framework to the potential changes to corporate reporting obligations under the Corporate Sustainability Reporting Directive (CSRD) and EU Taxonomy rules, also taking into account voluntary reporting standards for smaller companies.

Comments are due by 30 May 2025. The Commission is planning to publish a legislative proposal in Q4 2025.

### **Listing Act: ESMA publishes technical advice on market abuse and SME growth markets**

ESMA has published its [technical advice](#) to the EU Commission on the impact of amendments made to the Market Abuse Regulation (MAR) and the Markets in Financial Instruments Directive (MiFID2) by the Listing Act.

In relation to MAR, the advice covers:

- protracted processes, identifying key moments for public disclosure;
- delayed public disclosure, listing situations where delays are not allowed; and
- the Cross-Market Order Book Mechanism (CMOB), indicating the methodology for the identification of trading venues with significant cross-border activity.

Regarding MiFID2, the advice focuses on the review of the requirements for multilateral trading facilities and segments for the purpose of registration as an SME growth market.

The EU Commission is expected to adopt the delegated acts for which the technical advice was requested by July 2026.

### **BRRD: EBA updates ITS on resolution planning reporting**

The European Banking Authority (EBA) has published its [updated final draft implementing technical standards \(ITS\)](#) on resolution planning reporting under the Bank Recovery and Resolution Directive (BRRD).

The review of the ITS on the provision of information for the purposes of resolution plans is intended to achieve full harmonisation of reporting requirements in the EU and avoid duplication of data requests, thus reducing the cost of compliance with resolution planning reporting obligations by institutions.

The updated ITS will repeal Commission Implementing Regulation (EU) 2018/1624 and are intended to improve the usability of the data collected by resolution authorities, reflecting the latest developments in resolution planning, crisis preparedness and policies, and to deliver efficient practices.

The EBA is planning to publish a technical package in Q4 2025, which will include the data point model (DPM), validation rules and taxonomy that should

be used by institutions to submit this resolution planning reporting information to resolution authorities.

## **ECB establishes digital euro sandbox**

The European Central Bank (ECB) has [established an innovation platform](#) to collaborate with European stakeholders in the context of the digital euro project. The innovation platform simulates the envisaged digital euro ecosystem, in which the ECB provides the technical support and infrastructure for European intermediaries to develop innovative digital payment features and services at EU level.

The platform comprises two workstreams:

- the pioneers workstream is investigating how conditional payments in digital euro could be implemented from a technical standpoint. It is also developing potential use cases for day-to-day payments; and
- the visionaries workstream is conducting research on new digital euro use cases and how they could help address societal challenges, such as digital financial inclusion.

Findings from both workstreams will be published by the ECB in a report to be published later in 2025.

## **Mortgage Rule Review: FCA consults on simpler rules and increased flexibility**

The Financial Conduct Authority (FCA) has launched a consultation ([CP25/11](#)) on proposals to simplify some responsible lending and advice rules for mortgages, in an effort to make it easier, faster and cheaper for consumers to make certain changes to their mortgage and engage with their provider.

In particular, CP25/11 proposes ways to make it easier to:

- remortgage with a new lender;
- reduce the overall cost of borrowing through term reductions; and
- discuss options with a firm, whilst still having the option to seek advice if needed.

Comments are due by 4 June 2025.

In June 2025, the FCA intends to launch a public discussion on the future of the mortgage market, which will consider what the market needs to deliver for different consumers at different stages in their lives and for the wider UK economy, and the role of regulation to deliver it.

## **FCA publishes policy statement on consumer credit regulatory returns**

The FCA has published a policy statement ([PS25/3](#)) summarising the feedback it received to its September 2024 consultation paper (CP24/19) on consumer credit regulatory returns and setting out its final rules and guidance for incorporating a new regulatory return into SUP 16.

The new return will collect data from consumer credit firms with permission to carry out any of these regulated activities:

- credit broking;
- debt adjusting;



- debt counselling; and
- providing credit information services.

The new return is intended to make the FCA's expectations of firms clearer, using common industry terminology to help understanding, and the FCA hopes that the changes will allow it to better understand firms' activities, the products and services they are providing, and the extent of their regulated activities.

### **FCA publishes final rules on investment research payment optionality for fund managers**

The FCA has published a policy statement ([PS25/4](#)) setting out its final rules to allow fund managers to pay for investment research using a joint payment option for research and execution services, subject to a set of guardrails. This follows a consultation paper (CP24/21) published in November 2024.

The FCA has made most of the final rules in line with its consultation, with certain adjustments to the guardrail requirements. In particular, the FCA has:

- allowed more flexibility by adjusting the guardrail of research budgets so that they can be applied either at the fund level or aggregated across a fund range that is appropriate to firms' investment processes for managing the investments of the fund or funds;
- clarified that firms can have one set of standard written policies for joint payments across fund ranges that can be modified for a particular fund structure, opposed to requiring every fund to have a separate written policy on joint payments;
- retained the value measures and disclosure requirements for authorised funds at the level of the fund in line with the existing fund rules; and
- clarified that while the final rules require firms to be responsible for the administration of the accounts for purchasing research with joint payments, including commission sharing agreements (CSA), this does not mean that each fund will be required to have a separate CSA to adopt the payment option.

### **PRA consults on proposal to withdraw its supervisory statement on building societies' treasury and lending activities**

The Prudential Regulation Authority (PRA) has launched a [consultation](#) on its proposal to delete Supervisory Statement (SS) 20/15 - Supervising building societies' treasury and lending activities.

SS20/15 was introduced in 2015 and sets out the PRA's expectations in respect of building societies' compliance with the requirements of the Building Societies Act 1986, the Financial Services and Markets Act 2000 (FSMA), the PRA Rulebook and SS24/15. SS20/15 applies to all building societies and is cross referenced in SS2/23: Supervising Credit Unions.

The PRA has undertaken a review of SS20/15 and concluded that:

- the expectations set out in SS20/15 are no longer consistent with the PRA's broader policy approach;

- SS20/15 presents a potential level-playing field issue as it imposes prescriptive expectations on building societies that banks are not subject to; and
- risk management in the building societies sector has become more sophisticated since SS20/15 was introduced, and the PRA has a number of requirements and tools against which it can supervise firms' risk management.

On this basis, the PRA has decided to consult on withdrawing SS20/15.

Comments are due by 8 August 2025. The PRA proposes that the implementation date for the changes would be 1 January 2026.

### **BaFin applies ESMA guidelines on stress test scenarios under MMF Regulation**

The German Federal Financial Supervisory Authority (BaFin) has [announced](#) that it will apply the German translation of the European Securities and Markets Authority (ESMA) guidelines on stress test scenarios under the Money Market Funds (MMF) Regulation in its supervisory practice. The guidelines were published by ESMA on 24 February 2025.

The purpose of the guidelines is to ensure a common, uniform and consistent application of the provisions in Article 28 of the MMF Regulation. They establish common reference parameters of the stress test scenarios to be included in the stress tests.

In accordance with Article 28(7) of the MMF Regulation, ESMA will update the guidelines at least every year, taking into account the latest market developments. Managers of MMFs thus have the information needed to fill in the corresponding fields in the reporting template referred to in Article 37 of the MMF Regulation, as specified by Commission Implementing Regulation (EU) 2018/7082. This information includes specifications on the relevant types of stress tests and their calibration.

### **Ministry of Finance publishes draft Act Amending Act on Trading in Financial Instruments**

The Ministry of Finance has published a [draft Act](#) Amending the Act on Trading in Financial Instruments, which is intended to eliminate overregulation with respect to the requirement that an investment firm act as an intermediary for public offerings with a value of less than the equivalent of EUR 1 million.

The draft Act excludes intermediation by an investment firm for public offerings of securities as a result of which the assumed gross proceeds of the issuer or offeror in the Republic of Poland, calculated according to their issue price or sale price as at the date it is determined, amount to less than EUR 1 million (including the proceeds that the issuer or offeror intended to obtain from public offerings of such securities made in the preceding 12 months).

The draft Act has been submitted for consultation and approvals.

## **RECENT CLIFFORD CHANCE BRIEFINGS**

### **UK cryptoasset regulation – what is the impact of the new draft law?**

On 29 April 2025, HM Treasury (HMT) published a draft statutory instrument which will create a new UK regulatory regime for cryptoassets, including stablecoins. An accompanying policy note has also been published. Technical comments can be submitted by 23 May 2025, with the legislation due to be finalised by the end of the year.

This briefing paper considers what cryptoassets and activities will be caught by the new regime. We highlight some issues that may need clarification and outline what firms might do now to prepare.

<https://www.cliffordchance.com/briefings/2025/05/uk-cryptoasset-regulation--what-is-the-impact-of-the-new-draft-l.html>



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