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Content

The purpose of this report is to gather the main publications with implications for the financial industry issued during the reporting quarter by global, European and local standards providers, regulators and supervisors in the main geographies where Management Solutions operates.

For the purposes of this report the term "regulator" may be used in a broad sense to refer also to standard providers and supervisors.

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Executive Summary

In the fourth quarter of 2025, regulatory activity remained intense, with key developments across prudential frameworks, sustainability, governance, digital regulation and operational resilience. The quarter's agenda underscored a growing focus on regulatory simplification, enhanced supervisory convergence and the strengthening of frameworks to address emerging structural risks, including technology and third-party dependencies, climate-related exposures and geopolitical pressures, across global, European and local jurisdictions

Global

The quarter saw significant developments in operational resilience, technology risk management and sustainability. The BCBS published its final principles for the prudent management of third-party risk, strengthening the operational resilience framework and the comprehensive management of critical dependencies. In addition, relevant progress was made in international privacy and cybersecurity standards (ISO/IEC 27701:2025) and in climate disclosure requirements, through ISSB amendments to IFRS S2 on GHG emissions.

Europe

In Europe, the quarter's regulatory agenda was shaped by progress across prudential regulation, sustainability, supervision, resolution and digital transformation.

On the prudential side, the EBA published its 2026 Work Programme, prioritising simplification and proportionality of the prudential framework, strengthening risk and data analytics capabilities, and accelerating the technology agenda under DORA and MiCA, alongside key consultations on the SREP, supervisory stress testing and technical developments linked to CRR III and CRD VI.

From a supervisory perspective, the ECB set out its 2026–2028 priorities, focusing on enhancing banks' resilience to macro-financial and geopolitical risks, strengthening operational resilience and ICT capabilities in line with DORA, and advancing digital transformation and governance, including the management of risks related to AI adoption and cloud services.

In sustainability, key highlights included the EBA's Guidelines on ESG scenario analysis and the Commission's proposal to reform SFDR, together with further simplification and digitalisation initiatives through Omnibus packages and EDPS guidance on AI and data protection.

Local

In Spain, regulatory developments focused on updating the accounting and reporting framework through Banco de España Circular 1/2025, which strengthens alignment with EU-endorsed IFRS, revises the treatment of country risk and moves towards greater use of granular data through the CIR. In addition, AESIA published practical guidance to support the implementation of the AI Act, with a particular focus on high-risk systems and operational criteria for deployment.

In the United Kingdom, regulatory activity was geared towards simplifying the insurance framework, advancing the regulatory approach to cryptoassets and strengthening assurance standards for sustainability-related information, through relevant publications by the FCA, the PRA and the FRC.

In Latin America, the regulatory agenda was particularly intense in Brazil and Chile. In Brazil, the Central Bank advanced initiatives on social, environmental and climate-related information, the development of the Banking-as-a-Service (BaaS) framework and updates to prudential reporting and stress testing requirements. In Chile, the CMF launched multiple consultations and regulatory projects linked to Basel III, financial reporting for insurance companies and the modernisation of supervisory information systems. In addition, relevant developments were observed in Colombia and Mexico on sustainability, conduct and accounting frameworks, with cross-cutting implications for the financial sector.

Regulatory Outlook

In the first quarter of 2026, Europe will focus on the adoption and application of revised ITS and delegated acts covering ESG risks, operational risk, taxonomy, securitisation and access to financial data. In parallel, the ECB will publish the final guidelines on Governance and Risk Culture, while the FCA will continue consultation and review processes aimed at simplifying the regulatory framework for insurance. In Latin America, intense regulatory activity is expected, with relevant developments in Brazil in the area of sustainability-related financial disclosure and the assessment of IFRS adoption, and strong regulatory activity in Chile with impacts across multiple sectors, particularly banking and insurance

Featured regulatory projections

1. Next quarter

- **(Europe) 2026:**
 - EBA: i) Final version of the ITS on amended disclosure requirements for ESG risks, equity exposures and aggregate exposure to shadow banking entities; ii) Final technical package for the implementation of the amended ITS on operational risk, including the DPM model, validation rules, and XBRL taxonomy; iii) Final Document on Retail Diversification Guidelines and Methods.
 - EC: i) Adoption of Circular Economy Act; ii) European Climate Change Adaptation Plan; iii) Legislative proposal to extend the CBAM.
 - ECB: Final guidance on Governance and Risk Culture.
- **(Europe) Q1 2026:**
 - EP/Council: i) Adoption of the Taxonomy delegated acts; ii) Approval of the Securitization Framework; iii) Negotiation and possible adoption of the revision of the SFDR, based on the proposal submitted by the EC; iv) Negotiation and approval of the major package to fully integrate EU financial markets.
- **(Europe) January 2026:**
 - ESAs: Publication of the final Guidelines on the integration of ESG risks in supervisory stress tests conducted by competent authorities.
- **(UK) 2026:**
 - FCA: Consultation and review process under Policy Statement 25/21 to simplify insurance rules, including potential changes to consumer duty scope and reporting requirements.
- **(Brazil) 2026:**
 - SUSEP: i) Disclosure of Financial Information Related to Sustainability, with a focus on strengthening flood coverage in residential insurance, in line with the priorities of the Regulatory Agenda; ii) Evaluation of the adoption of IFRS S1 and S2 in Brazil, through a comparative analysis with current requirements (SUSEP Circular No. 666/2022).
- **(Chile) Q1 2026:**
 - CMF: i) Regulation for the identification of impaired and renegotiated loans; ii) Amendment to RAN 1-13 to include recovery plan management as part of supervisory review; iii) Requirements for the recognition of foreign Central Counterparties (CCPs); iv) Regulation on the sale and transfer of ownership of insurance companies; v) Exceptions or less burdensome compliance mechanisms under Law 18.876, which establishes the legal framework for the incorporation and operation of private securities deposit and custody entities (DCV); vi) Regulations on the calculation of risk-weighted assets for savings and credit cooperatives supervised by the Commission; vii) Regulations on statistical reporting and supervision of securities market entities (Exchanges and Infrastructures); viii) Regulation on complementary activities for entities registered in the RPSF; xi) Reference documents with models for risks not covered by Pillar 1 standards; xii) Assessment of obstacles hindering the development of banks' internal models; xiii) Regulation on insurance information other than life annuities; xiv) Regulatory adjustments for the implementation of the temporary pension reduction clause (NCG 218, Circulars 1194 and 1815); xv) Regulation on information requirements for parametric insurance; xvi) Amendment to NCG No. 152, regarding requirements for companies investing in foreign investment funds; xvii) Regulations defining standards of conduct for banks, insurance companies, and AGFs in their interactions with customers.
- **(Colombia) Q1 2026:**
 - SFC: Results of stress tests required under Circular Letter 034 of 2025.

- URF: i) Decree on the supervision of information operators; ii) Final version of the decree on the architecture of the trust business; iii) Draft Decree on Solvency II.

2. Next year

- **(Europe) Q2 2026:**
 - EIOPA: Revision and expansion of the stochastic valuation content in EIOPA's Supervisory Review Process (SRP) Manual.
- **(Europe) Q3 2026:**
 - ECB: Results of reverse stress test on geopolitical risk.
- **(Europe) Q4 2026:**
 - EC: Legislative act on the circular economy.
- **(UK) Q2 2026:**
 - FCA: Consultation on disapplying the Consumer Duty to non-UK business.
- **(Chile) Q2 2026:**
 - CMF: i) Rules for calculating risk-weighted assets in savings and credit cooperatives supervised by the Commission; ii) Reference documents with models for risks not covered by Pillar 1 standards; iii) Open finance system regulations (Annex No. 4 Technical specifications for cost allocation); iv) Regulatory Files for Financial Statements of Securities Intermediaries and Commodity Brokers; v) Full implementation of the Open Finance System and any modifications to the regulatory framework already issued.

3. More than a year

- **(Colombia) 2027:**
 - SFC: Start of the transition period for the implementation of IFRS 17.
- **(Peru) Q4 2027:**
 - SBS: Final publication of the standard adopting IFRS 17.

Entry into force dates

1. Next quarter

- **(Europe) 2026:**
 - SRB: i) Paragraphs 18 and 25 of the operational guidance on operational continuity in resolution (OCIR); ii) First submission of the resolvability self-assessment under the final operational guidance, referring to the situation as of 31 December 2025 (deadline: 31 January 2026).
- **(Europe) Q1 2026:**
 - Council: Regulation establishing a framework for access to financial data.
 - EC: Implementation of most provisions of the Artificial Intelligence Act.
- **(Europe) January 2026:**
 - EBA: i) RTS on the calculation and aggregation of crypto exposure values; ii) General application of final guidelines on ESG risk management; iii) General application of guidelines for ESG scenario analysis.
 - EC: i) Provisions in the final delegated act amending the delegated acts on taxonomic, climate, and environmental information disclosure will apply from January 1, 2026, affecting the 2025 financial year; ii) Application of the changes introduced by the Delegated Regulation amending the ESRS for wave one companies (information corresponding to the 2025 financial year).
 - EP/Council: i) Implementation of the Delegated Regulation amending the date of application of the FRTB as a regulatory framework; ii) Member States shall have adopted and published the regulations and administrative provisions necessary to comply with CRD VI amendments (for exercises beginning January 1, 2026).
- **(Europe) March 2026:**
 - EBA: i) First reference date for reporting under the amended ITS on operational risk; ii) Implementation of the new operational risk reports in COREP and updating of all modules linked to the DPM 2.0 glossary.
- **(Spain) January 2026:**
 - BdE: Application of the accounting changes introduced by Circular 1/2025, which modifies the financial reporting framework in relation to electricity-referenced contracts, classification and valuation of financial assets, derecognition of liabilities, and initial recognition of receivables.
- **(Spain) March 2026:**
 - BdE: First submission of monthly and quarterly reserved statements reflecting the accounting changes introduced by Circular 1/2025, with reference to March 31, 2026.
- **(UK) January 2026:**
 - BoE: Supervisory statement on Step-in Risk.
- **(US) January 2026:**
 - OCC: Optional early adoption of the amended eSLR standards under the final rule.
- **(Brazil) January 2026:**
 - BCB: i) Complementary Law No. 214/2025, which creates taxes on goods and services (IBS) and social security contributions (CBS); ii) Joint Resolution No. 18/2025
- **(Colombia) January 2026:**

- URF: Mandatory adoption of IFRS 17 as of January 1, 2026.
- **(Mexico) January 2026:**
 - DOF: Resolution on accounting criteria and financial reporting for credit institutions.
 - SHCP: General Economic Policy Criteria 2026.
- 2. Next year**
 - **(Europe) December 2026:**
 - EBA: i) ITS on ESG risk disclosure, exposure to equity instruments, and aggregate exposure to shadow banking entities; ii) ITS on reporting by third-country branches.
 - **(Spain) June 2026:**
 - BdE: First application of changes to reserved statements with reference to June 30, 2026, for half-yearly statements and modifications relating to credit risk coverage due to country risk, in accordance with Circular 1/2025.
 - **(Spain) December 2026:**
 - BdE: First application of changes to reserved statements with reference to December 31, 2026, for annual statements, in accordance with Circular 1/2025.
 - **(UK) December 2026:**
 - FCA: General Requirements for Sustainability Assurance Engagements.
 - **(US) April 2026:**
 - OCC: Final rule amending the eSLR and related regulatory capital standards.
 - **(Brasil) July 2026:**
 - BCB: Application of specific obligations under the resolution on the submission of quantitative information for the ICAAP, ICAAP-Simp and stress tests, applicable when the lead entity of a cooperative system exercises the powers provided for in CMN Resolution No. 5,223/2025.
 - **(Chile) June 2026:**
 - CMF: i) Entry into force of NCG No. 537/2025 incorporating interest-free quotas into the National Facilitation Mechanism (MNF); ii) Entry into force of the modification of the Fund Information System.
 - **(Chile) December 2026:**
 - CMF: i) Application of Standard No. 519 amending NCGs No. 30 and No. 461 (December 31, 2026); ii) Law No. 21,719, which regulates the protection and processing of personal data and creates the Personal Data Protection Agency.
 - **(Colombia) July 2026:**
 - SFC: Deadline for submission of the implementation plan to comply with the new EPR and PAC/PAL instructions.
- 3. More than a year ahead**
 - **(Global) January 2027:**
 - IASB: i) IFRS 18 for annual accounting periods beginning on or after this date; ii) Update to the IFRS for SMEs Accounting Standard.
 - **(Europe) January 2027:**
 - EBA: i) Final Guidelines on the management of ESG risks for SNCIs; ii) Guidelines on ESG scenario analysis for SNCIs; iii) Revised SREP and supervisory stress testing guidelines.
 - EIOPA: i) Application of amendments to the Solvency II Directive; ii) RTS and ITS related to IRRD
 - EP/Council: i) Application of CSRD for large companies not previously subject to the NFRD (wave 2) for financial periods beginning January 1, 2027¹; ii) Enforcement of the FRTB standard; iii) Implementation of IRRD.
 - **(Europe) July 2027:**
 - EP/Council: i) Regulation on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing (AML/CFT).
 - **(Europe) January 2028:**
 - EP/Council: Effective application of the FRTB for calculating the capital requirement.
 - **(Europe) July 2028:**
 - EP/Council: Transposition of the CSDDD¹.
 - **(Brasil) January 2027:**
 - BCB: Resolution launching the second phase of the GRSAC Report, initially applicable to institutions classified in segments S1 and S2.
 - **(Chile) January 2027:**
 - CMF: First fiscal year in which issuers of securities in general must report in accordance with the ISSB's IFRS Standards S1 and S2, pursuant to Regulation No. 519, for financial statements relating to fiscal year 2026.
 - **(Colombia) 2028:**
 - SFC: i) Entry into force of the main instructions on the EPR and the PAC/PAL; ii) Entry into force of IFRS 17.
 - **(Peru) January 2027:**
 - SBS: Resolution establishing new regulations for the classification and valuation of investments.

¹ Dates updated in accordance with the EC Omnibus package.

Relevant Publications

This section is a compilation of the most relevant publications published by the R&D area through the FinRegAlert app. This content covers regulatory publications considered to have a particular impact on the financial sector.

These publications are listed according to the geographic scope of the publication and the date of publication.

In addition, the publications have been labelled for information purposes with the most representative topics of the type of content or nature of the publication:

CL	Capital, liquidity & leverage	D	Reporting & disclosure
P	Provisions & NPL	P	Compliance & conduct
E	Supervisory expectations	S	Sustainability
G	Governance	T	Technology & AI
R	Recovery & resolution	O	Others




Index of this quarter's most important publications

The information has been structured according to geographical criteria and, within each area, by regulator and chronology. First, the content is grouped by geographical region in the following order: global, Europe, Spain, United Kingdom, United States and Latin America. Within each region, the information is organized by regulator, in alphabetical order. Finally, within each regulator, the items are presented in chronological order, from the oldest to the most recent.

Scope	Regulator	Theme	Title	Date	Page
Global	BCBS	G	Principles for the sound management of third-party risk	10/12/2025	12
Global	ISO	T	Standard ISO/IEC 27701:2025 on information security, cybersecurity, and privacy protection	17/10/2025	14
Global	ISSB	S	Targeted amendments to GHG emissions disclosure requirements in IFRS S2 Climate-related Disclosures	11/12/2025	15
EU	AMLA	P	Advancing harmonised EU AML/CFT supervision	18/12/2025	16
EU	Council	P	Advances in the EU Securitisation Framework Reform	12/12/2025	18

Scope	Regulator	Theme	Title	Date	Page
EU	EBA		Work Programme 2026	06/10/2025	19
EU	EBA	 	Consultation on the revised SREP and supervisory stress testing guidelines	29/10/2025	20
EU	EBA		Final draft of RTS on criteria for assessing the materiality of CVA risk arising from securities financing transactions	03/11/2025	22
EU	EBA		Public Consultation on the Guidelines on the authorisation of TCBs under the CRD	07/11/2025	23
EU	EBA		Final Guidelines on ESG scenario analysis	07/11/2025	24
EU	EC		Digital Omnibus Package	19/11/2025	26
EU	EC		Proposal to amend the SFDR framework	20/11/2025	28
EU	EC		Proposal for a Regulation amending the PEPP Regulation and a proposal for a Directive amending the IORP II Directive and the IDD	01/12/2025	29
EU	EC		Package of measures to fully integrate EU financial markets	04/12/2025	31
EU	EC		Environmental Omnibus package	10/12/2025	32
EU	EC		First draft of the code of practice on the transparency of AI-generated content	17/12/2025	33
EU	ECB		Supervisory priorities 2026-2028	18/11/2025	35
EU	ECB		Aggregated results of the 2025 SREP	20/11/2025	37
EU	ECB		SREP 2025 methodology update	21/11/2025	39
EU	ECB		Recommendations on simplification of the prudential, supervisory and reporting framework	11/12/2025	40
EU	ECB		Announcement of a geopolitical risk reverse stress test in 2026	12/12/2025	43
EU	EDPS		Guidelines on generative AI	31/10/2025	44
EU	EDPS		Guidance for risk management of AI systems	12/11/2025	46

Scope	Regulator	Theme	Title	Date	Page
EU	EIOPA	CL	Set of consultations related to the Solvency II Review	13/10/2025	47
EU	EIOPA	R	Proposal for a natural catastrophe risk awareness and prevention tool (PROTECT)	03/12/2025	48
EU	EIOPA	S	New consultation package on the implementation of the IRRD	09/12/2025	49
EU	EIOPA	G	Results of the european liquidity stress test for occupational pension funds	16/12/2025	50
EU	EP	S	Endorsement and additional adjustments to the Omnibus proposal	19/11/2025	51
EU	ESAs	E	Work Programme 2026	17/10/2025	53
EU	ESMA	E	Work Programme 2026	10/10/2025	55
EU	SRB	R	New operational communication guidelines for banks	22/10/2025	56
EU	SRB	R	Modernised expectations on EoVC in the event of a crisis	16/12/2025	57
SP	AESIA	T	Guidelines on the application of the Artificial Intelligence (AI) Regulation	10/12/2025	58
SP	BOE	G	Law 10/2025 of 26 December, regulating customer service (LSAC	26/12/2025	59
SP	BdE	CL	Circular 1/2025, amending Circular 4/2017 and Circular 1/2013	31/12/2025	60
UK	FCA	P	Policy statement 25/21: Simplifying the insurance rules	09/12/2025	62
UK	FCA	T	Consultations on cryptoasset regulation in UK	16/12/2025	64
UK	FRC	S	ISSA (UK) 500 General Requirements for Sustainability Assurance Engagements	13/11/2025	65
UK	PRA	S	Policy statement 25/25 updating supervisory statement 3/19	03/12/2025	66
USA	FDIC	S	Rescission of Principles for Climate-Related Financial Risk Management	20/10/2025	68
USA	OCC	CL	Final rule amending eSLR and related regulatory capital standards	25/11/2025	69

Scope	Regulator	Theme	Title	Date	Page
Brazil	BCB	 	Public consultation on a regulatory proposal launching the second phase of the GRSAC Report	06/11/2025	70
Brazil	BCB		Joint resolution providing for the provision of BaaS by financial entities, payment entities, and other entities authorised to operate	28/11/2025	71
Brazil	BCB	 	Joint Resolution No. 18/2025, which establishes the quality policy for information provided by financial entities and other entities authorized to operate by the BCB	28/11/2025	72
Brazil	BCB	 	Resolution on the submission of quantitative information for the ICAAP, the ICAAP-Simp, and stress tests using scenarios provided by the BCB	05/12/2025	73
Chile	CMF		Regulatory report prior to the second consultation on amendments to the RAN, CNC, and NCG within the framework of Basel III	27/10/2025	74
Chile	CMF		Regulatory Report on the requirement associated with liquidity monitoring for insurance companies and the creation of the MSI Seguros	30/10/2025	75
Chile	CMF		Draft regulation on the presentation of financial statements by insurance companies	30/10/2025	76
Chile	CMF		Modification of the Fund Information System	21/11/2025	77
Chile	CMF		Official circular modifying the NCG on the MSI Fintec	24/11/2025	78
Chile	CMF	 	Regulatory proposal for the Modernization of the Regulatory Framework for CACs supervised by the CMF: RAN CACs and MSI CACs	30/11/2025	79
Chile	CMF		Draft regulation on External Audit Firms	16/12/2025	80
Colombia	SFC		External Circular 0015 of 2025, which introduces specific instructions for the management of environmental and social risks	08/10/2025	81
Colombia	SFC		Draft Circular setting out instructions on the EPR and the PAC and PAL	22/12/2025	82

Relevant Publications

Global

10/12/2025

G BCBS - Principles for the sound management of third-party risk

Basel Committee
on Banking Supervision



1. Context

For years, banks have been using agreements with third parties to access specialised knowledge, reduce costs and increase operational efficiency and resilience. The traditional focus of supervision was on outsourcing as a subset of these agreements, as outlined in the 2005 Joint Forum document Outsourcing in Financial Services. Digitisation and the adoption of new technologies have significantly increased banks' dependence on external providers for critical services and complex supply chains, requiring a shift from the classic concept of outsourcing to a broader framework of third-party relationships and their associated risks. On this basis, in July 2024 the BCBS submitted for consultation a document on the principles for the prudent management of third-party risk, open for comments until 9 October 2024.

In this context, the BCBS has published the **final version of the principles for the prudent management of third-party risk**, with the aim of establishing a holistic framework for managing this risk that complements the principles of operational resilience and operational risk management, providing a common reference for banks and supervisors throughout the lifecycle of relationships with external service providers.

2. Main aspects

Among the main new features compared to the consultation document are

- **Principle 1 on board responsibility and third-party strategy.** Focus is placed on the board's ultimate responsibility for monitoring the bank's third-party risks as a whole. In addition, it is reinforced that the board must explicitly define the risk appetite and tolerance for disruption associated with third-party relationships, and not just verify that the bank is acting within pre-set parameters.
- **Principle 2 on the role of senior management and the management framework.** It clarifies that senior management must not only implement the third-party risk management framework, but also ensure that the board is expressly informed about the performance of suppliers and the relevant risks of agreements, thus reinforcing accountability to the governing body.
- **Principle 3 on risk assessment throughout the life cycle.** The general approach is maintained, but it is made explicit that risk assessment must be updated periodically and whenever there are significant changes in the agreement, the supplier or the environment, emphasising that it is a dynamic process integrated into the third-party risk management framework.
- **Principle 4 on due diligence on suppliers.** Greater emphasis is placed on the fact that due diligence must also be based on the results of monitoring the bank's previous relevant agreements with that supplier and include: i) the third party's capacity and ability to provide the service, including the supplier's capacity to manage its own supply chain, including the identification and management of relevant third parties (nth parties); ii) known and potential risks in relation to the agreement; and iii) benefits and costs associated with the agreement.
- **Principle 5 on contracts and minimum content.** The rights of access to information and audit (for banks and supervisors) and business continuity obligations in critical agreements are better specified. At the same time, the obligation for the supplier to take out certain insurance policies is no longer included as a minimum contractual clause and is now analysed as part of due diligence on how the supplier manages insurable risks.
- **Principle 6 on the onboarding of new suppliers.** The principle is reformulated to focus on the onboarding process for new suppliers, with less operational detail, and reinforces the idea that, for each onboarding, the bank must ensure that the supplier understands the applicable policies and requirements and that the records and dependency maps are updated.
- **Principle 7 on ongoing monitoring and incident management.** The need for ongoing monitoring is maintained, but it is made more explicit that this should also include key third parties in the supply chain, and that third-party records should be used to assess concentration risk at the bank level, with information provided to senior management and the board when relevant changes occur.
- **Principle 8 on business continuity.** It is specified that the bank's continuity plans must consider alternative strategies (e.g. multiple suppliers or reinternalisation) consistent with its tolerance for disruption. For critical services, the expectation that the supplier's continuity plans are aligned with those of the bank and tested periodically, including joint testing where appropriate, is reinforced.
- **Principle 9 on exit plans and strategies.** It provides more detail on what exit plans and strategies should cover (necessary resources, timelines and transfer of assets, including data and knowledge), and

emphasises that strategies for unplanned terminations should be based on plausible scenarios and reviewed regularly.

- **Principle 10 on supervisory assessment of the third-party framework.** The language is strengthened to require supervisors to explicitly assess third-party risk management as part of ongoing supervision, highlighting its integration into the operational risk framework and operational resilience, and the need for supervisors to have sufficient capabilities in this area.
- **Principle 11 on systemic risks and supplier concentration.** The list of information sources and tools (registers, interdependency maps, recovery and resolution plans, incidents, data analysis, scenarios) that supervisors can use to identify and assess systemic risks, including those linked to concentration on certain suppliers, is expanded.
- **Principle 12 on cross-border and cross-sectoral coordination.** The text further elaborates on how cooperation between authorities (continuity exercises, information forums, coordinated actions, etc.) can be organised to monitor and mitigate the risks associated with critical suppliers operating in multiple jurisdictions or sectors, while maintaining the overall approach of the consultation text.

17/10/2025

T ISO - Standard ISO/IEC 27701:2025 on information security, cybersecurity, and privacy protection



1. Context

In August 2019, the ISO/IEC 27701 standard was published as an extension of the ISO/IEC 27001 and ISO/IEC 27002 standards, with the aim of providing a specific framework for privacy management and the processing of personally identifiable information (PII). This standard became a key reference for organizations seeking to demonstrate compliance with the General Data Protection Regulation (GDPR) and other international data protection regulations. However, the evolution of cybersecurity practices, updates to the base standards in 2022, and advances in technologies such as cloud computing and artificial intelligence created the need to review and update its content to maintain its consistency and applicability.

In this context, ISO and the IEC have published the new **ISO/IEC 27701:2025 standard on information security, cybersecurity, and privacy protection**, whose goal is establishing, implementing, maintaining, and continuously improving a Privacy Information Management System (PIMS). This new text modernizes the previous version, aligns it with the updated standards of the 27000 family, and reinforces the approach of accountability and transparency in the processing of personal data.

2. Main aspects

The new standard introduces changes compared to the 2019 version and highlights key elements:

- **More complete and modernized requirements for establishing, implementing, maintaining, and continually improving a Privacy Information Management System (PIMS).** This reinforces the definition of privacy policies and objectives, the identification and classification of personal data, managing risks and responsibilities, the implementation of operational controls to protect information, the monitorization of system performance, and the ensure of continual improvement. It applies to PII controllers and processors, including those operating jointly or subcontracted, and to all types of organizations: public, private, and non-profit.
- **More detailed guidance for managing privacy risks, regulatory compliance, and accountability.** This includes more instructions on implementing controls, measuring their effectiveness, and documenting evidence of compliance. It aims to facilitate agreements and relationships with business partners, as well as provide evidence of good practices in PII handling.
- **Better alignment with other management standards and regulations.** These include ISO/IEC 27001 about requirements for an information security management system; ISO/IEC 29100 which establishes privacy framework and general principles; ISO/IEC 27018, which establishes guidelines for protecting personal information in public cloud environments; ISO/IEC 29151, the code of practice for protecting PII and the European Union (EU) GDPR.

11/12/2025

ISSB - Targeted amendments to GHG emissions disclosure requirements in IFRS S2 Climate-related Disclosures



1. Context

Since issuing International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures in June 2023, the ISSB has supported preparers through guidance materials, the Transition Implementation Group (TIG), and ongoing engagement with jurisdictions preparing to adopt the Standard. As entities began working towards implementation, several practical challenges emerged, particularly in relation to greenhouse gas (GHG) emissions disclosures. These challenges concerned complex areas such as Scope 3 Category 15 emissions (which capture emissions associated with financial investments and are often difficult to measure), the requirement to use the proprietary Global Industry Classification Standard (GICS) system for disaggregating financed emissions, and cases where local regulations obliged companies to apply different GHG measurement methods or global warming potential (GWP) values from those mandated in IFRS S2. Together, these issues risked leading to duplicated reporting obligations, inconsistencies across jurisdictions and increased operational burdens for preparers.

In this context, the ISSB has published **targeted amendments to GHG emissions disclosure requirements in IFRS S2 Climate-related Disclosures** to address the practical challenges that emerged as companies began preparing to apply the Standard. The amendments introduce focused reliefs and clarifications to make the requirements more workable in practice, while ensuring that investors continue to receive decision-useful information and avoiding unnecessary disruption for jurisdictions that are in the process of adopting or aligning with the ISSB Standards.

2. Main aspects

The amendments introduce the following key changes:

- **Limitation of Scope 3 Category 15 emissions to financed emissions.** The amendments clarify that entities may limit the measurement and disclosure of Scope 3 Category 15 GHG emissions to financed emissions only. This means companies are no longer required to report other types of Category 15 emissions, such as facilitated or insurance-associated emissions, which are often difficult to measure and lack established methodologies.
- **Flexibility to use alternative industry-classification systems.** IFRS S2 originally required the use of the GICS to disaggregate financed emissions. The amendments now allow entities to use alternative, commonly used classification systems, including those required by local regulators, provided they still enable users to understand exposure to climate-related transition risks.
- **Clarification of jurisdictional relief for GHG measurement methods.** The amendments confirm that entities may apply jurisdictional relief from using the GHG Protocol where a local authority or listing venue requires a different emissions-measurement method. Importantly, this relief may be applied to the entire Entity or only the part subject to the jurisdictional requirement, avoiding the need for dual measurement systems and easing compliance for multinational groups.
- **Introduction of jurisdictional relief for GWP values.** IFRS S2 previously required entities to use GWP values from the latest Intergovernmental Panel on Climate Change (IPCC) Assessment Report when converting GHG emissions. The amendments now introduce relief allowing entities to use alternative GWP values mandated by jurisdictions or exchanges. This ensures alignment with local reporting frameworks and reduces the need for recalculations, while maintaining transparency through accompanying disclosure requirements.

3. Next steps

- The amendments will apply to annual reporting periods beginning on **1 January 2027**, with early application permitted.

Europe

18/12/2025

C AMLA - Advancing harmonised EU AML/CFT supervision



1. Context

The strengthening of the European framework for the prevention of money laundering and terrorist financing responds to the need to move towards a more coherent, consistent and effective supervisory system across the European Union (EU). Experience gained in recent years has highlighted significant differences in national supervisory practices, as well as limitations in the ability to supervise complex entities with cross-border activities, which has led to the model evolving towards greater coordination and centralisation at European level.

In this context, the AMLA has published an **institutional statement** on progress towards a harmonised European supervisory model for the prevention of money laundering and terrorist financing, and a **public consultation document** on draft implementing technical standards that develop the mechanisms for cooperation between the AMLA and national financial supervisory authorities, the process for selecting entities that will be subject to direct supervision, and the transfer of supervisory tasks and powers. The aim of this publication is to gather input to help define the operational elements of the future European supervisory model.

2. Main aspects

The institutional communication sets out the structural elements of the future supervisory model, while the public consultation document elaborates in greater detail on the technical and operational aspects necessary for its implementation. The main elements of the AMLA's institutional communication are:

- **Direct supervision of higher-risk institutions from 2028.** The communication describes the AMLA's future exercise of direct supervision over up to 40 financial institutions or groups considered to be the most complex and highest risk in the European Union. This direct supervision will be organised as a complement to the existing national supervisory system and will focus on those institutions whose size, complexity or risk profile require an integrated European approach.
- **Common risk assessment methodology.** The communiqué sets out the development of a common methodology for assessing the risks of money laundering and terrorist financing, applicable uniformly throughout the European Union. This methodology will enable consistent assessment of risks at entity and group level, serve as a reference for identifying higher-risk entities and underpin both direct supervision and structured cooperation with national authorities.

The public consultation covers the following main aspects:

- **Cooperation between the AMLA and national financial supervisory authorities.** The document sets out the frameworks for operational cooperation between the AMLA and national authorities, including information flows, supervisory coordination mechanisms and the allocation of responsibilities at the different stages of the process. It describes the channels and procedures for ensuring integrated supervision, avoiding overlaps and ensuring consistency of action.
- **Selection process for entities under AMLA's direct supervision.** The consultation details how the selection process for financial entities or groups that will be under direct supervision will be structured, including the use of risk assessments, the participation of national authorities in identifying relevant entities, and AMLA's role in final decision-making. This process is designed to be dynamic and based on up-to-date information on risk profiles.
- **Transfer of supervisory tasks and powers.** The document addresses the framework for the progressive transfer of supervisory tasks and powers from national authorities to AMLA once the entities subject to direct supervision have been selected. It develops aspects related to the continuity of supervision, coordination during the transitional period, and the clear delimitation of competences between the different levels of authority.
- **Joint supervisory teams (JSTs).** The consultation elaborates on the role, composition and functioning of JSTs, which are made up of staff from the AMLA and the national competent authorities (NCAs). These teams are configured as the main operational instrument for the exercise of direct supervision, allowing for a combination of local knowledge and a European approach, as well as the consistent application of supervisory standards.

3. Next steps

- The period for submitting comments ends on **27 January 2026**.
- On the basis of the contributions received, the Authority is expected to continue to advance its operational deployment and to publish, in subsequent phases, guidelines and development documents to facilitate

the progressive implementation of a more harmonised and consistent supervisory system across the EU, in coordination with the NCAs.

12/12/2025

C Council - Advances in the EU Securitisation Framework Reform



1. Context

The review of the European securitisation framework responds to the need to revive and strengthen the role of securitisation as a tool for financing the real economy, in a context of increased pressure on bank balance sheets and the growing importance of capital markets. Within the framework of the Capital Markets Union and the work to strengthen the risk absorption capacity of the European financial system, the European institutions have identified the need to adjust the prudential treatment of securitisations and to review the general regulatory framework applicable to these operations, with the aim of removing regulatory obstacles, improving capital efficiency and facilitating more effective risk transfer, while preserving financial stability.

In this context, **the Council of the EU has published its negotiating mandate** on the reform of the prudential treatment of securitisations, **the EP has published draft reports reflecting its initial position** on the proposed amendments to both the CRR and the Securitisation Regulation, and **the EC has published the opening of a formal feedback period**. The aim of this set of publications is to advance the legislative process for reforming the European securitisation framework, lay the groundwork for interinstitutional negotiations, and gather technical input that can contribute to defining the final content of the proposed amendments.

2. Main aspects

- **Amendment of the prudential treatment of securitisations in the CRR – Council position (document ST 16741/25).** The negotiating mandate adopted by the Council sets out the position of the Member States on the proposal to amend Regulation (EU) No 575/2013 on securitisation exposures. The proposed changes focus on a recalibration of the prudential treatment, including adjustments to the calculation of capital requirements applicable to different securitisation positions and to the criteria for recognising significant risk transfer (SRT). The Council text also addresses the consistency of the prudential framework with the functioning of the securitisation market and defines the scope for negotiation on key elements such as calculation methods, risk factors and conditions for capital relief, forming the basis for the Council's position in future trilogues.
- **Draft European Parliament report on the proposed amendment to the CRR (ECON-PR-779726).** The draft report published by the European Parliament's Committee on Economic and Monetary Affairs reflects the EP's initial position on the amendment to the CRR in relation to securitisation exposures. The document proposes amendments aimed at adjusting capital requirements and revising certain aspects of the prudential treatment applicable to securitisations, with the aim of improving the risk sensitivity of the framework and its consistency with the objectives of financing and risk transfer. The draft also addresses issues related to the recognition of transferred risk, the application of different prudential approaches and the consistency of the framework with other regulatory instruments, serving as a basis for the subsequent adoption of the EP's negotiating position.
- **Draft EP report on the proposed amendment to the Securitisation Regulation (ECON-PR-781372).** In parallel, the EP has published a second draft report on the proposed amendment to Regulation (EU) 2017/2402, which establishes the general framework for securitisation and the regime for simple, transparent and standardised securitisations. This document introduces proposals for adjustments to the operational, transparency and functioning requirements of the STS regime, as well as to certain obligations applicable to participants in securitisation transactions. The aim is to adapt the general regulatory framework to market developments and ensure its consistency with the proposed changes in prudential treatment, while maintaining the standards of simplicity, transparency and standardisation.
- **Feedback period opened by the EC.** In parallel with the legislative work of the Council and the EP, the EC has opened a formal feedback period on the initiative. This consultation process allows interested parties to submit technical comments that can feed into the legislative debate and the EC's position during the interinstitutional negotiation phase.

3. Next steps

- Once the EP has adopted its position in committee and subsequently in plenary, the formal start of the trilogues between the Council, the EP and the EC is expected.
- Stakeholders may submit comments to the EC during the feedback period, which is open **until 9 February 2026**, after which the public consultation process will be closed.

06/10/2025

E EBA - Work Programme 2026**1. Context**

The EBA's Work Programme outlines its strategic priorities and planned activities for the upcoming year, reflecting the broader Union priorities and strategies for the financial sector. This document is essential for aligning the EBA's efforts with the legislative and regulatory developments within the European Union (EU), particularly in response to economic, geopolitical, and technological changes.

In this context, the EBA has published its **Work Programme for 2026**, detailing its objectives, strategic priorities, and specific activities aimed at simplifying and streamlining the regulatory and supervisory framework, strengthening risk analysis capabilities, and accelerating the sector's technological adaptation through a comprehensive assessment of the framework, specific actions for the coming year in each of the four areas under review, and a quarterly schedule of deliverables for 2026.

2. Main aspects

The Work Program sets out the priorities for 2026. The EBA also details the approach for 2026 for each priority:

- **Manual and contribution to a single, resilient, and sustainable market.** The EBA will simplify and streamline the prudential framework, reinforcing proportionality, including the review of the Supervisory Review and Evaluation Process (SREP) in 2026, and advancing the implementation of the Banking Package in areas such as credit, operational risk, credit valuation adjustment (CVA), third-country branches (TCBs), securitization, and environmental, social, and governance (ESG) requirements. The roadmap for the EBA's mandates for the development of the payments package—which includes the third Payment Services Directive (PSD3), the Payment Services Regulation (PSR), and the Financial Data Access Regulation (FIDA)—will be presented, and mandates related to the crisis management and deposit insurance framework (CMDI), the Bank Recovery and Resolution Directive (BRRD), and the Deposit Guarantee Schemes Directive (DGSD) will be prioritized. In addition, the roadmap for the payments package will be published in the second quarter of 2026.
- **Risk assessment and capacity building for effective analysis, supervision, and control.** The EBA's capacity to identify risks and vulnerabilities will be strengthened by preparing the 2027 stress tests using top-down methodologies, particularly in relation to climate risks and exposure to non-bank financial intermediaries (NBFIs), while reducing reporting costs. The analysis of geopolitical, credit, and liquidity risks will be intensified, as will the monitoring of cyber threats, information and communication technology (ICT) incidents, and cooperation with European supervisory authorities (ESAs). In 2026, the supervision of critical ICT providers under the Digital Operational Resilience Act (DORA), the validation of tokens under the Markets in Crypto-assets Regulation (MiCA), and the central validation of initial margins under EMIR will begin, with progress expected in the first half of the year. In addition, reporting will be strengthened with the European Centralized Infrastructure for Supervisory Data (EUCLID), the Joint Banking Reporting Committee (JBRC) common dictionary, and the new 2026–2028 data strategy, with the publication of the 2027 stress test methodology and the availability of the supervisory data policy on the EUCLID platform expected in the third quarter of 2026.
- **Innovation and improvement of the technological capacity of all stakeholders.** The sector's technological capacity and customer protection will be boosted by monitoring innovation in artificial intelligence (AI), machine learning, crypto-assets, distributed ledger technology (DLT), and the digital euro. The EBA will coordinate the European Forum of Innovation Facilitators (EFIF) and the Supervisory Digital Finance Academy (SDFA), and will analyze AI use cases, big tech risks, and the advancement of decentralized finance (DeFi). On the consumer side, it will address over-indebtedness and risk reduction, supervise the Consumer Credit Directive (CCD2), and develop guidelines on indebtedness in 2027 in conjunction with the European Anti-Money Laundering Authority (AMLA). It will also update retail indicators, promote financial education, publish data on payment fraud, and promote greater transparency in digital contracting, including the presentation of a report on consumer credit in the second half of 2026.

29/10/2025

E **EBA - Consultation on the revised SREP and supervisory stress testing** **CL** **guidelines**



1. Context

The SREP Guidelines published by the EBA in 2022, together with the Guidelines on the assessment of risks related to information and communication technologies (ICT), established the supervisory framework applicable to the comprehensive assessment of institutions' risks, including stress testing. Subsequently, with the entry into force of the Capital Requirements Directive (CRD) VI on January 1, 2025, Article 107(3) of that Directive mandated the EBA to review and update the common methodologies and procedures for the SREP to reflect recent regulatory developments, including the Capital Requirements Regulation (CRR) III and the Digital Operational Resilience Regulation (DORA).

In this context, the EBA has published a **consultation on the revised SREP and supervisory stress testing guidelines**, which will substitute both the 2022 SREP Guidelines and the Guidelines on ICT risk assessment. The aim of this revision is to align the Guidelines with recent regulatory developments and to strengthen supervisory convergence in the European Union (EU).

2. Main aspects

The revised guidelines under consultation present the following new features compared to the previous 2022 SREP Guidelines and the Guidelines on ICT risks in the SREP framework.

- **Business Model Analysis (BMA).** The materiality approach is reinforced, allowing previous supervisory assessments to be used as a baseline when there are no significant changes in the business model or risk profile of the institution. Climate and environmental risks, operational resilience, and the ability to withstand geopolitical events are explicitly incorporated into the BMA. Compared to the 2022 guidelines, these elements were not assessed in an integrated manner in the BMA.
- **Assessment of internal governance and institutional controls.** The DORA framework and third-party risk management are integrated into the internal control system, strengthening the aggregation and reporting of risk data in accordance with the principles of the Basel Committee on Banking Supervision (BCBS). Business continuity issues are moved to the Operational Risk chapter (Title 6.4). In addition, the new CRD VI requirements on the definition of responsibilities, mapping of functions, and the powers of the management body in relation to environmental, social, and governance (ESG) risks and ICT are incorporated. Compared to the 2022 guidelines, the level of requirements for technology and data has been increased, and continuity obligations have been reorganized.
- **Assessment of risks related to capital.** With regard to credit and counterparty risk, the framework remains unchanged, but the revision introduces the cross-cutting integration of ESG and resilience factors into all elements of the SREP, rather than treating them as separate risks, which represents a significant methodological change. In the area of market risk, the assessment of the transfer price applied to trading activities is incorporated for the first time. Similarly, operational risk—which now includes ICT and operational resilience risks—consolidates the former Guidelines on ICT risk assessment within the SREP framework into the operational block and aligns them with DORA. The concept of operational resilience is explicitly introduced and becomes an integral part of the SREP. Finally, a specific section on Credit Spread Variation Risk in the Investment Portfolio (CSRBB) is added, and a combined score for Interest Rate Risk in the Investment Portfolio (IRRBB) and CSRBB is established, which was absent from the 2022 guidelines.
- **SREP capital assessment.** The interaction between Pillar 1 and Pillar 2 requirements is operationalized following the entry into force of CRR III/CRD VI and the application of the output floor. A temporary cap is established by applying the Pillar 2 percentage to the total risk exposure amount (TREA) without a minimum limit, double counting risk is reviewed, and the amount or composition of Pillar 2 may be adjusted when the minimum capital requirements under Pillar 1 change materially. This operationalization of the output floor did not exist in the 2022 guidelines.
- **Assessment of liquidity and funding risks.** The assessment of liquidity risks and funding adequacy are merged into a single block, creating a new combined liquidity and funding adequacy score. In the previous guidelines, both aspects were analyzed separately.
- **Overall SREP assessment and communication.** A specific section has been created for the communication of SREP results, which includes the scope of the assessment, the scores (where applicable), and the justification of Pillar 2 requirements. In addition, supervisory measures have been moved to the corresponding chapters, directly linking the findings to the actions. In 2022, these measures were concentrated in a separate title and with less detail in the communication.
- **Cross-border groups and supervisory stress tests.** The framework for cross-border groups remains in place, but coordination and consistency between authorities is strengthened. The connection between SREP results and other processes, such as recovery plans and overall recovery capacity (ORC), which now directly inform capital and liquidity scores, is emphasized. In the area of stress testing, expectations

regarding resources, methodologies, and communication are detailed, and procedures for setting Pillar 2 Guidance (P2G) targets and Pillar 2 Guidance on liquidity ratios (P2G-LR) are clarified.

- **Third-country branches (TCBs).** A specific chapter dedicated to third-country branches is included for the first time, in line with the new Articles 48m and 48n of CRD VI, which set out the prudential requirements applicable to branches of third-country institutions operating in the EU. This section seeks to ensure consistent prudential assessment and the identification of contagion risks to the EU financial system, which is a new development compared to 2022.

3. Next steps

- The consultation will be open until **January 26, 2026**.
- The Guidelines will be applicable from **January 1, 2027**..

03/11/2025

CL EBA - Final draft of RTS on criteria for assessing the materiality of CVA risk arising from securities financing transactions



1. Context

Article 382(6) of the Capital Requirements Regulation (CRR) mandates the EBA to develop RTS specifying the conditions and criteria for determining when CVA risk exposures arising from securities financing transactions (SFTs) measured at fair value should be considered material for prudential purposes. To this end, the EBA launched a public consultation on draft RTS in July 2024, with a comment period ending in October 2024. The comments received focused mainly on the proportionality of the materiality threshold and the operational burden associated with the implementation of the new prudential framework.

In this context, the EBA has published the **final draft RTS on the criteria to assess the materiality of CVA risk exposures arising from securities financing transactions**, with the objective of defining harmonized criteria for determining materiality, ensuring a consistent and quantitative assessment across institutions, and reinforcing prudential harmonization within the EU.

2. Main aspects

The final draft establishes a quantitative and standardized approach to assess the materiality of CVA risk exposures arising from fair-valued SFTs, in line with the mandate set out in the CRR. The most relevant elements are as follows:

- **Materiality criteria.** Institutions shall compare the total own funds requirement for CVA risk including SFTs with the requirement calculated without them. If the increase exceeds 5%, the SFTs shall be considered material and must be included in the calculation of own funds requirements for CVA risk.
- **Frequency of assessment.** Some entities commented that the frequency of the assessment should be consistent with capital reporting cycles so as not to duplicate efforts. Thus, the rule stipulates that the assessment of the materiality of CVA risk exposures arising from SFTs should be carried out on a quarterly basis, using 31 March, 30 June, 30 September and 31 December as reference dates. This frequency is aligned with the deadlines applicable to the calculation and reporting of prudential requirements for CVA risk established under the CRR.
- **Time reference.** The materiality assessment should be carried out exclusively on the basis of the ratio corresponding to the reference quarter, eliminating the mechanism of averaging the last four quarters that had been proposed in the public consultation.

3. Next steps

- The EBA has submitted the final draft of the RTS to the European Commission for formal adoption as a Delegated Regulation. Once adopted, the Delegated Regulation will be reviewed by the European Parliament and the Council.
- These RTS will enter into force on the twentieth day following its publication in the Official Journal of the EU (OJEU).

07/11/2025

CL EBA - Public Consultation on the Guidelines on the authorisation of TCBs under the CRD**1. Context**

The CRD IV creates harmonised regime for TCBs, aimed at ensuring consistent supervision and a level playing field between European Economic Area (EEA) and non-EEA institutions. Under its Article 48c(8), it grants the EBA a mandate to develop Guidelines specifying the information that institutions must provide in authorisation applications, the procedure, and applicable formats, as well as the conditions for authorisation and the circumstances under which previously submitted information may be reused.

In this context, the EBA has launched a **public consultation on the Guidelines on the authorisation of TCBs under the CRD**, with the objective of establishing common criteria for the assessment, content and authorisation process of such branches, thereby strengthening supervisory convergence and ensuring the consistent application of the new prudential regime across the EEA.

2. Main aspects

The public consultation launched by the EBA addresses the main elements of the new authorisation process for TCBs in the EEA, outlining the points on which stakeholder feedback is sought, and which are essential for the practical implementation of the framework established under the CRD.

- **Non-objection statement from the home authority.** The EBA seeks feedback on whether the scope and content of this statement are appropriate to ensure effective coordination between supervisors without creating excessive burdens. The consultation aims to clarify whether this requirement should be limited to a formal confirmation or include a substantive assessment of the parent institution's solvency and governance.
- **Information required in the programme of operations.** Feedback is requested on whether the level of detail required in the business plan, governance structure and control mechanisms is proportionate to the risks of the planned activities. The EBA aims to balance transparency with the administrative burden for institutions and avoid duplication with other information requirements.
- **Reuse of information from previous authorisation procedures.** The consultation seeks input on the conditions under which national competent authorities (NCAs) may rely on documentation previously submitted in other TCB authorisation procedures. The goal is to define objective criteria for accepting such information as valid, up to date and verifiable, thereby avoiding the repetition of processes.
- **Clarity and flexibility of procedural elements.** The EBA requests comments on the drafting of sections related to timelines, stages and communications within the authorisation process. It aims to confirm whether the Guidelines provide sufficient clarity for institutions and allow NCAs to adapt processes without undermining the consistency of the European framework.

3. Next steps

- The public consultation will remain open until **3 February 2026**.
- A virtual public hearing will be held on **10 December 2025**, with registration closing on 8 December at 16:00 CET.

07/11/2025

S EBA - Final Guidelines on ESG scenario analysis



1. Context

The European regulatory framework for environmental, social, and governance (ESG) risk management has been progressively strengthened. In July 2021, the European Commission adopted the Renewed Sustainable Finance Strategy, which, together with the Capital Requirements Directive (CRD) VI, introduced the mandate for competent authorities to ensure that institutions assess their resilience to the long-term impacts of ESG factors, starting with climate factors. In this context, in January 2025, the EBA launched a consultation on the Guidelines on ESG scenario analysis, as part of the development of the mandate of Article 87a(5) of CRD VI, complementary to the Guidelines on ESG risk management, with the aim of establishing common standards on the identification, measurement, and management of these risks.

In this context, the EBA has published the **final Guidelines on ESG scenario analysis**, with the aim of complementing the ESG risk management guidelines and establishing criteria and methodologies for institutions to assess their resilience to negative impacts arising from environmental factors, mainly physical and climate transition risks, through the use of scenario analysis and specific stress tests.

2. Main aspects

The final version includes the following new features in each section of the Guidelines with respect to the consultation document:

- **Compliance and reporting obligations of competent authorities.** The general structure remains unchanged, but relevant clarifications have been introduced: updating the reference to Article 16 of Regulation 1093/2010, which establishes the EBA, to align the text with the standard wording used by the EBA in its recent guidelines, thereby strengthening the legal basis for the compliance obligation under the comply-or-explain principle. In practice, this means that national authorities must formally notify the EBA, within two months of the publication of the official translations, whether or not they will apply the guidelines, and justify any deviation.
- **Purpose, scope, and definitions.** The final version limits the scope to environmental factors, excluding social and governance factors due to a lack of methodological maturity, and reinforces consistency with CRD VI, the ESG Risk Management Guidelines, and the Stress Testing Guidelines. It also specifies that the definitions of competent authorities and entities shall be understood in accordance with Articles 4(1) and 4(2) of Regulation No. 1093/2010, ensuring terminological consistency with the rest of the EBA guidelines, and that these shall be applied in accordance with the level of consolidation provided for in Article 109 of CRD.
- **Purpose, governance, and proportionality in environmental scenario analysis.** The integration of scenario analysis into management and strategy is reinforced, linking it to internal governance guidelines and senior management. The complementarity between climate stress testing (CST) and climate resilience analysis (CRA) is clarified, establishing that CRA is constructed as an extension of CST. In addition, a three-tiered proportionality approach is introduced—large entities, less significant entities (LSI), and small and non-complex entities (SNCI)—allowing for qualitative or simplified methods for smaller entities.
- **Development of environmental scenario analysis.** The general step-by-step approach is replaced by one focused on environmental scenarios, with greater precision on internal consistency, time horizons (minimum 10 years), and combined risks, clarifying that the time horizons indicated are only indicative and not prescriptive, and that entities may adapt them to their circumstances. The set of reference organizations cited is expanded, distinguishing climate risks from other environmental risks. Furthermore, common trajectories are added to facilitate convergence. Feedback loops are incorporated into the modeling and new transmission channels (nature, reputation, and just transition). Likewise, the formalistic approach is replaced by a results-based approach, requiring entities to establish robust due diligence and governance processes, maintaining the list of channels in the annex as a reference. In addition, the new version establishes that the static (constant) balance approach should be used as the primary method, while the dynamic balance may only be used as a supplement, thus removing the flexibility of the draft. It is also expressly clarified that entities are not required to perform reverse stress tests, the reference to the separate information technology (IT) environment is removed, and the role of expert judgment in additional stress factors is reinforced.
- **Use of environmental scenario analysis.** This is a new section not present in the draft. It establishes how the results of the analysis should be integrated into the internal processes for assessing capital adequacy (ICAAP), liquidity (ILAAP), and the supervisory review and evaluation process (SREP), documenting the assumptions, limitations, and decisions derived, and updating the models periodically. In addition, it links the analysis to the transition and sustainability plans required by the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), by requiring institutions to use the results of the scenarios to assess the viability of their

decarbonization strategies and adjust their plans based on plausible adverse scenarios. This block turns scenario analysis into a cross-cutting and binding management and oversight tool..

3. Next steps

- The implementation date has been unified, postponing it for all entities until **January 1, 2027** (the version under consultation provided for a staggered schedule—January 2026 for significant entities and January 2027 for small and non-complex entities).

19/11/2025

T EC - Digital Omnibus Package



1. Context

The EU has developed in recent years a broad digital regulatory framework covering several key areas: (i) data protection, with the General Data Protection Regulation (GDPR) and the Directive on privacy and electronic communications; (ii) artificial intelligence, with the Artificial Intelligence Act (AI Act); (iii) cybersecurity, with the Directive on measures for a high common level of cybersecurity across the EU (NIS2), the Digital Operational Resilience Act for the financial sector (DORA) and the Cybersecurity Act; and (iv) data, with the Data Act and the European Data Strategy. Building on this foundation, the European Commission (EC) has launched a simplification agenda through successive Omnibus packages aimed at reducing administrative burdens by 25%, with the digital package being the seventh Omnibus proposal within this strategy.

In this context, the EC has published **the digital Omnibus package, the new Data EU Strategy and the proposal of a European business wallet**. The digital package proposes simplified rules on AI, cybersecurity and data. The objective is to streamline and strengthen the EU's digital framework, allowing companies to dedicate fewer resources to formal compliance and more to innovation, with an estimated saving of up to EUR 5 billion in administrative costs by 2029 and, additionally, up to EUR 150 billion annually thanks to the new digital business wallets.

2. Main aspects

The main elements of the digital Omnibus package include:

- **Innovation-friendly AI rules.** It introduces adjustments to the AI Act to facilitate its implementation. In addition, it links the enforceability of requirements for high-risk systems to the availability of support tools and technical standards, with a maximum period of 16 months from the moment the Commission confirms that these tools are ready. It also extends the simplifications currently available for small and medium-sized enterprises (SMEs) to mid-cap companies, broadens access to controlled testing environments, including the EU-wide sandbox planned for 2028 and other real-world testing in key sectors, and strengthens the role of the AI Office through centralized oversight of systems based on general-purpose models, reducing governance fragmentation.
- **Simplifying cybersecurity reporting.** A mechanism is established allowing companies to report cybersecurity incidents through a single interface, replacing the multiple reporting obligations currently spread across instruments such as NIS2, DORA, or the GDPR.
- **Privacy framework supportive of innovation.** It is proposed targeted amendments to the GDPR, keeping the highest level of personal data protection, to clarify and harmonise requirements, especially in areas where divergent interpretation among Member States has created additional burdens.
- **Modernising cookie rules to improve online user experience.** Consent management will be facilitated through configurations in browsers and operating systems, allowing users to express their preferences centrally and avoiding repeated pop-up requests.
- **Improving access to data.** The package aims to strengthen access to data as a driver of innovation by simplifying and making the data framework more practical for consumers and businesses. To this end, it consolidates four EU data-related acts into a single Data Regulation, introduces specific exemptions from certain cloud-switching obligations for SMEs and mid-cap companies, generating an estimated one-off saving of EUR 1.5 billion, and provides new compliance guidance through model contractual clauses for data access and use as well as for cloud service contracts. It also supports the development of European AI by unlocking access to new high-quality datasets, thereby enhancing the innovation potential of companies across the EU.

In addition, regarding the new EU Data Strategy, the following should be highlighted:

- **Expanding access to high-quality data.** The strategy boosts the availability of high-quality data essential for innovation and AI through the creation of data labs, the improvement of public datasets and the interconnection of European sectoral data spaces. It also reinforces the horizontal enablers of the data economy by expanding the high-value datasets covered by the Open Data Directive, making digitized cultural objects available for AI training, and promoting the use of synthetic data and the production of new datasets within the EU.
- **Regulatory simplification and streamlining.** It foresees the consolidation of various EU data rules into a single Data Regulation, together with the publication of model contractual clauses for data access and use and for cloud service contracts, as well as the establishment of a legal assistance service (help desk) to support companies. All these measures aim to reduce compliance costs, improve legal clarity and allow companies to allocate more resources to innovation.
- **Strengthening Europe's data sovereignty.** The framework introduces strategic measures to ensure that data flows to and from the EU take place under conditions of fairness, security and alignment with EU

values. These include guidelines on the fair treatment of European data in third countries, a toolbox to counter unjustified data localisation or data leakage, and safeguards for sensitive non-personal data in international contexts.

Finally, regarding the proposal for the European Business Wallet:

- **Unified digital tool.** Companies will be able to: i) digitally sign, seal and timestamp documents; ii) create, store and exchange verified documents securely; and iii) communicate electronically with other companies or public administrations in their own country and across the other Member States. This tool will facilitate processes such as expanding operations in other EU countries, paying taxes or interacting with public authorities, and, with broad adoption, could generate up to EUR 150 billion in annual savings for European companies by significantly reducing administrative processes and costs.

3. Next steps

- The proposal will now be submitted to the European Parliament (EP) and the Council.
- The EC has launched the second phase of the simplification programme through a broad consultation on the Digital Fitness Check open until **11 March 2026**, which will assess the coherence and cumulative impact of EU digital rules and may lead to further simplification and regulatory adjustments.

20/11/2025

S EC - Proposal to amend the SFDR framework



1. Context

The SFDR was adopted on 27 November 2019 and has been in force since 10 March 2021. This Regulation establishes a framework for reporting on how financial market participants integrate environmental, social and governance (ESG) risks and factors into their investment decisions and the products they offer, with the aim of increasing transparency, protecting end investors and reducing the risk of greenwashing. The experience of these first years of implementation has highlighted problems such as the use of certain provisions of the SFDR as product labels, the complexity and extent of disclosure obligations for retail investors, and practical doubts surrounding the definition and delimitation of sustainable investments, which has led the Commission to propose a review of the framework.

In this context, the EC has published a **proposal to amend the SFDR**, with the aim of simplifying and reorganising the sustainability disclosure framework for financial products through a new architecture of categories and disclosure requirements.

2. Main aspects

The main changes to the current regime include:

- **Refocusing of the SFDR and removal of certain obligations at entity level.** The proposal shifts the SFDR from a regime focused on different product blocks (products with basic integration of sustainability risks, products with environmental or social characteristics, and products with sustainable investment objectives) to a regime of explicit product categorisation, and removes disclosures of principal adverse impacts (PAIs) at entity level in order to simplify the framework, reduce the administrative burden and focus transparency on sustainability-related financial products.
- **New system of three sustainability product categories and a minimum threshold of 70%.** Three product categories are introduced: transition, ESG basics and sustainable, which in practice replace the current scheme based on the distinction between products with environmental or social characteristics and products with sustainable investment objectives. In each of the new categories, at least 70% of the portfolio must be aligned with the sustainability strategy declared for that category, and common and reinforced exclusions are introduced, including restrictions on fossil fuel-intensive activities.
- **Revision of definitions and deletion of the definition of sustainable investment.** The proposal removes the definition of sustainable investment from the SFDR and transfers its elements (contribution to environmental or social objectives, absence of significant harm and good governance) to specific investment requirements within the new product categories, in order to reduce divergences in the practical application of the current definition.
- **Specific regime for non-categorised products and products that invest in other products.** Differentiated treatment is established for products that do not fall under any of the new categories, limiting the way in which they can refer to sustainability in their documentation and communications, and regulating products that combine or invest in categorised products (e.g. funds of funds), specifying the conditions under which they may qualify for a category or, where applicable, the additional information they must provide on the composition of their portfolio.
- **Use of sustainability data and estimates.** The proposal introduces a framework to formalise and make more transparent the use of third-party data and internal estimates in the application of the SFDR, establishing principles on the documentation of methodologies and assumptions, as well as on the information that must be provided to investors regarding the data sources and assumptions used.
- **Simplification of disclosure requirements and adjustments to PRIIPs and ESAP.** Pre-contractual, periodic and website disclosures are reconfigured and simplified, linking them to the new product categories and reducing the volume of information required. At the same time, the Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPs) is adjusted to include a specific section on the degree of sustainability and the SFDR category of the product in the key information document, and the obligations to submit information to the European Single Access Point (ESAP) are adapted to the new disclosure structure.

3. Next steps

- This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union (OJEU).
- It shall apply 18 months after its entry into force.

01/12/2025



EC - Proposal for a Regulation amending the PEPP Regulation and a proposal for a Directive amending the IORP II Directive and the IDD



1. Context

In recent years, the EC has strengthened its agenda to promote long-term saving and improve pension adequacy in response to demographic ageing, pressure on public pension systems, and the need to channel more capital into long-term investments aligned with the Capital Markets Union (CMU) and the new Savings and Investments Union (SIU). Within this framework, the following regulatory instruments are essential: i) the PEPP Regulation, in force since 2022, which defines the characteristics, transparency and information requirements, and participant protection criteria for the pan-European personal pension product, and ii) the IORP II Directive, applicable since 2019, which establishes rules on governance, risk management, investments, and reporting obligations for institutions for occupational retirement provision (IORPs).

In this context, the EC has published a legislative reform package consisting of a **proposal for a Regulation amending the PEPP Regulation and a proposal for a Directive amending simultaneously IORP II and the Insurance Distribution Directive (IDD)**. Both proposals aim to strengthen the design, governance, efficiency and performance of supplementary pension products, enhance transparency and supervisory standards, and facilitate greater scale and long-term investment capacity for the benefit of members.

2. Main aspects

Regarding the amendments to the PEPP Regulation, the main changes are as follows:

- **Removal of structural product obligations.** The proposal eliminates several requirements that had hindered the expansion of the PEPP, such as the obligation for providers to offer sub-accounts in different Member States or the requirement to offer a Basic PEPP, the default and simplest version of the product, in order to market alternative investment options. In addition, the 1% cost cap for the Basic PEPP is removed and replaced with a system focused on ensuring good value for money through clear criteria and enhanced supervisory oversight.
- **New mandatory investment approach for the Basic PEPP.** The Basic PEPP must be structured using a life-cycle investment strategy, adjusting risk exposure according to the saver's age. At least 95% of the portfolio (excluding cash) must be invested in simple and tradable financial instruments, with up to 5% permitted in alternative assets.
- **Strengthening of the prudent person principle and integration of ESG factors.** The reform allows greater flexibility in portfolio construction and requires providers to explain how they integrate environmental, social and governance (ESG) risks. It also replaces previous rules with a reinforced prudent person principle, meaning that investments must be managed responsibly and in a balanced manner, prioritising the saver's interests, properly assessing risks, and ensuring that investment decisions align with the product's long-term objectives.
- **Improved transparency.** The reform requires clearer and more comprehensive information for savers. Providers must disclose the product's total cost in both euros and percentage terms, explain how these costs affect final returns, and offer simple comparisons between the available investment options. A direct link to EIOPA's public register must also be included. Information requirements are also strengthened throughout the entire lifetime of the product.
- **Integration into auto-enrolment systems and employer contributions.** The proposal allows Member States to use the PEPP within automatic enrolment systems for workplace pension schemes. It also enables employers to make contributions to their employees' PEPPs without additional restrictions. Workers will always retain the right to opt out if they do not wish to participate.

Regarding the amendments to the IORP II Directive and the IDD, the main changes include:

- **Expansion and harmonisation of the authorisation, governance and supervision regime.** The proposal replaces the dual system of registration or authorisation with a single authorisation regime, granting automatic recognition to entities already authorised. Requirements related to business plans, internal controls, key functions and risk management rules are strengthened.
- **Enhanced transparency rules on costs, returns and risks.** Member States must publish on a single national public platform information on total costs, historical returns (minimum of 10 years) and the risk profiles of pension schemes, promoting comparability and market discipline.
- **New information and investor-protection obligations.** Rules on the pension benefit statement are revised, an explicit obligation to act in the best interest of the member is introduced, and harmonised procedures are established for handling complaints and for alternative dispute resolution, including in cross-border situations.

- **Introduction of stress-testing requirements for certain IORPs.** IORPs that assume biometric risks or provide guarantees must conduct stress tests every three years, using standard scenarios and allowing for additional tests where supervisors identify vulnerabilities.
- **Amendments to the IDD.** It is ensured that beneficiaries of pension schemes managed by insurance undertakings receive information equivalent to that provided under the IORP framework, and that insurers and intermediaries have a legal basis to share information with national pension tracking systems.

3. Next steps

- Public consultations on both legislative proposals are currently open until **28 January 2026**.
- The reform of the PEPP Regulation will directly apply one year after its entry into force. For the amended Directive, Member States will be required to transpose the changes within 12 months of its entry into force.

04/12/2025

P EC - Package of measures to fully integrate EU financial markets



1. Context

Since 2023, the EC has intensified its efforts to strengthen the European Union (EU) economic resilience and global competitiveness by advancing the creation of a fully integrated single market for financial services. Central to this mandate is the Competitiveness Compass, which sets out how to boost growth, innovation and strategic resilience across the EU. A key enabler of this agenda is the Savings and Investments Union (SIU) Strategy, designed to unlock the full potential of EU capital markets for citizens and businesses. The European Council has repeatedly stressed the need to build unified and robust European capital markets that are accessible to all Member States. In March 2025, the Council called on the EC to advance work on capital market oversight and address longstanding fragmentation issues. Subsequently, in September 2025, the European Parliament (EP) endorsed the EC's plans to introduce new legislation aimed at improving trading and post-trading systems, removing cross-border barriers, and updating the regulatory framework for emerging technologies.

In this context, the EC has launched a **major package to fully integrate EU financial markets**, which aims to create a more integrated, efficient, and competitive financial system that offers EU citizens better options for growing their wealth and makes it easier for businesses to access financing.

2. Main aspects

The package proposes the following measures:

- **Removing obstacles to market integration and leveraging scale.** The package introduces measures to eliminate barriers that currently fragment EU financial markets, particularly in trading, post-trading, and asset management. Key initiatives include expanding passporting opportunities for Regulated Markets and Central Securities Depositories (CSDs), creating a new Pan-European Market Operator (PEMO) status to streamline corporate structures and licensing, and simplifying the cross-border distribution framework for investment funds, including Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs). These steps aim to reduce cost differentials between domestic and cross-border transactions and facilitate smoother operations across Member States.
- **Facilitating innovation.** To foster technological progress, the EC proposes removing regulatory obstacles that hinder the adoption of distributed ledger technology (DLT). The package amends the DLT Pilot Regulation to relax existing limits, enhance proportionality and flexibility, and increase legal certainty for market participants. This seeks to encourage broader use of DLT-based solutions in financial services, supporting innovation and efficiency gains in trading and settlement processes.
- **Streamlining and enhancing supervision.** The measures address supervisory fragmentation by strengthening the European Securities and Markets Authority's (ESMA) role and expanding its direct oversight over significant market infrastructures. This includes transferring supervisory competences for certain trading venues, Central Counterparties (CCPs), CSDs, and all Crypto-Asset Service Providers (CASPs) to the ESMA. The reform also enhances ESMA's coordination role in the asset management sector to ensure more consistent supervisory practices, reduce national divergences, and better respond to emerging risks.
- **Simplification and burden reduction.** In line with previous steps under the SIU framework, the package seeks to simplify the regulatory environment by converting selected directives into regulations, reducing national options and discretions, and streamlining Level 2 empowerments. These changes aim to ensure greater harmonisation, limit gold-plating at national level, and reduce compliance burdens for financial entities operating across borders.

3. Next steps

- The package must now be negotiated and approved by the EP & Council.

10/12/2025

S EC - Environmental Omnibus package



1. Context

The EC has intensified its efforts in recent years to simplify the European Union's (EU) environmental legislation, with the aim of strengthening competitiveness and reducing the administrative burden faced by companies. This simplification agenda, part of the political commitment to achieve a 25% reduction in administrative burdens, and 35% in the case of small and medium-sized enterprises (SMEs) by 2029, responds to evidence that regulatory complexity can hinder both economic activity and the green transition. According to the 2024 Eurobarometer, based on a series of surveys carried out by the EC, the complexity of legislation, particularly regarding resource efficiency, renewable energy and other environmental requirements, is slowing down the green transition in SMEs. The study highlights that both SMEs and large companies perceive complex environmental reporting obligations, as well as excessively intricate administrative and legal procedures, as significant barriers.

In this context, the EC has published the **environmental Omnibus package**, the eighth proposal in the omnibus cycle, the eighth proposal in the omnibus package cycle. The package includes specific amendments to several key pieces of EU environmental legislation, including: i) the Environmental Impact Assessment (EIA) Directive; ii) the Industrial Emissions Directive (IED); iii) the Waste Framework Directive; iv) the various frameworks regulating Extended Producer Responsibility (EPR) and the Directive on Spatial Information Infrastructure in Europe (INSPIRE). The document aimed at reducing administrative burdens for businesses without compromising the EU's ambitious objectives on environmental and human health protection. The initiative also seeks to accelerate and streamline permitting procedures for all types of projects, with a particular focus on strategic sectors, to facilitate the transition towards a cleaner and more digital European economy.

2. Main aspects

The package proposes the following measures:

- **Simplification of environmental assessments for permitting.** The proposal introduces simpler and faster procedures for project developers, including single points of contact, increased digitalisation and accelerated timelines. It also provides an additional toolbox of fast-tracking measures specifically targeted at strategic sectors and projects that contribute to decarbonisation or resource efficiency, including affordable housing.
- **Greater flexibility in industrial emissions standards for industry and agriculture.** Companies will benefit from more flexibility under the IED in implementing Environmental Management Systems (EMS). The requirement to include transformation plans will be removed, operators will have more time to prepare their EMS, and the obligation to undergo independent audits will be eliminated. In addition, farmers and aquaculture operators will be exempted from certain reporting obligations, and the scope and requirements for organic farms will be simplified, reducing duplications.
- **Replacement of the SCIP database.** Given that the cost of the Substances of Concern in Products (SCIP) database was considered disproportionate, its functions will be replaced by more effective digital solutions, such as the Digital Product Passport and the implementation of the one substance one assessment package. For this reason, the EC proposes amending the Waste Framework Directive to repeal the SCIP database, thereby reducing administrative burdens for companies.
- **Simplification of EPR schemes.** Currently, legislation on batteries, packaging, electrical and electronic equipment, single-use plastics and waste requires EU-based companies to appoint an authorised representative in each Member State where they place products on the market without being established. This obligation will be suspended for European producers while the review of EPR schemes under the Circular Economy Regulation is ongoing, reducing operational costs and administrative complexity.
- **Improved access to and lower compliance costs for geospatial data.** The current technical requirements of the INSPIRE Directive will be fully aligned with the horizontal legislation governing high-value public-sector geospatial data. This simplification will reduce compliance costs for public authorities and facilitate access to high-value geospatial data sets for both public and private users.

3. Next steps

- The package must now be negotiated and approved by the European Parliament (EP) and Council.

17/12/2025

T EC - First draft of the code of practice on the transparency of AI-generated content



1. Context

The European Union (EU) has progressively strengthened the regulatory framework applicable to AI systems with the aim of ensuring the safe, transparent and trustworthy use of these technologies. For that reason, the AI Act establishes, in Article 50, specific transparency obligations for certain AI systems, in particular those capable of generating or manipulating content such as text, images, audio or video. These obligations aim to ensure that users can identify when content has been generated or altered by AI, thereby mitigating risks related to disinformation and the manipulation of public discourse.

In this context, the EC, through the AI Office, has published the **first draft of the code of practice on the transparency of AI-generated content**, provided by the EC and prepared by independent experts within the framework of specific working groups. The draft aims to support the implementation of the transparency obligations set out in Article 50 of the AI Regulation, in particular those provided for in paragraphs 2 and 4, as well as the cross-cutting elements set out in paragraph 5, and to move towards a common and harmonized approach to the identification of this type of content.

2. Main aspects

The content of the Code is divided into two sections, each setting out a series of commitments. Section 1 addresses the rules on marking and detectability of AI-generated or manipulated content applicable to providers of generative AI systems:

- **Commitment 1. Multi-layered marking of AI-generated or manipulated content.** Providers of generative AI systems commit to applying a multi-layered, machine-readable marking approach to AI-generated or manipulated content, in a proportionate manner and in line with the state of the art, in order to comply with the transparency obligations set out in Article 50(2) of the AI Act. This approach may combine different marking techniques across the value chain and ensure the preservation and traceability of the content's origin.
- **Commitment 2. Detectability of AI-generated or manipulated content.** Providers of generative AI systems and models commit to ensuring that AI-generated or manipulated content is detectable as such, by making detection mechanisms available to users and third parties. This includes the provision of verification tools, the use of complementary detection mechanisms where marking alone is insufficient, and the communication of results in a clear and accessible manner, applying a proportionate approach.
- **Commitment 3. Measures to meet the requirements applicable to marking and detection techniques.** Providers of generative AI systems and models commit to ensuring that marking and detection techniques are effective, reliable, robust and interoperable, in line with the state of the art and applied proportionately. These requirements must be met prior to placing systems on the market or putting them into service and maintained throughout their entire lifecycle, promoting the use of common standards and the continuous improvement of technical solutions.
- **Commitment 4. Testing, verification and compliance.** Providers of generative AI systems and models commit to establishing and maintaining testing, verification and compliance frameworks to demonstrate compliance with the obligations set out in Article 50 of the AI Act and the commitments of the Code. This framework must be applied prior to commercialisation and throughout the entire lifecycle of the systems, including real-world testing, appropriate documentation, staff training and cooperation with competent authorities, in a proportionate manner.

Section 2 addresses the rules on the labelling of deepfakes and AI-generated or manipulated text applicable to deployers of AI systems:

- **Commitment 1. Disclosure of the origin of AI-generated or manipulated content through a common taxonomy and icon.** Deployers of AI systems that generate deepfakes or AI-generated or manipulated text commit to consistently disclosing the artificial origin of such content, using a common taxonomy to classify the degree of AI intervention and a common, visible icon as a labelling mechanism. This approach aims to ensure a harmonised and understandable identification of content subject to the disclosure obligations set out in Article 50(4) of the AI Act.
- **Commitment 2. Compliance, training and monitoring.** Deployers of AI systems commit to establishing and maintaining internal compliance and monitoring mechanisms to ensure the correct application of the labelling obligations under Article 50(4) of the AI Act. This includes the preparation of compliance documentation, training of staff involved in the creation and dissemination of content, cooperation with competent authorities and third parties, and the timely correction of any instances of non-compliance, in a proportionate manner.
- **Commitment 3. Ensuring accessible disclosure for all persons.** Deployers of AI systems commit to ensuring that the icons and labels used to disclose the origin of AI-generated or manipulated content are

accessible to all persons, in accordance with the applicable accessibility requirements in the EU. This includes the adoption of technical and organisational measures enabling access to information through different modalities, applying recognised accessibility standards where appropriate.

- **Commitment 4. Specific measures for deepfake disclosure.** Deployers of AI systems commit to correctly classifying content that constitutes deepfakes and to ensuring clear, distinguishable and timely disclosure of their artificial origin, in compliance with Articles 50(4) and 50(5) of the AI Act. This includes the implementation of coherent internal processes with human oversight, and the application of disclosure mechanisms appropriate to the format and context of the content, while preserving, where applicable, the artistic, creative, satirical or fictional nature of works.
- **Commitment 5. Specific measures for the disclosure of AI-generated or manipulated text.** Deployers of AI systems commit to identifying and clearly disclosing AI-generated or manipulated text published on matters of public interest where no human review or editorial responsibility exists, in compliance with Articles 50(4) and 50(5) of the AI Act. This includes the establishment of internal processes with human oversight and, where the editorial control exemption is invoked, the adoption of minimum procedures and documentation to demonstrate human review and the assumption of editorial responsibility.

3. Next steps

- The EC will collect feedback on the first draft from participants and observers until **23 January 2026**. The second draft will be drawn up by **mid-March 2026**, with the Code expected to be finalised by June.
- The rules covering the transparency of AI-generated content will become applicable on **2 August 2026**.

18/11/2025

E ECB - Supervisory priorities 2026-2028**1. Context**

Annually, the ECB updates the SSM priorities, following the exhaustive review of the main risks and vulnerabilities for the supervised entities and of the outcome of the Supervisory Review and Evaluation Process (SREP), and the progress compared with the priorities of previous years.

In this context, the ECB has published the **SSM supervisory priorities 2026-2028** and its **assessment of risks and vulnerabilities**. The supervisory priorities promote effectiveness and consistency in the planning work of the Joint Supervisory Teams (JST) and support the efficient allocation of resources, in line with the corresponding risk tolerance levels. They also help national supervisors to set their own priorities for the supervision of less significant institutions in a proportionate manner.

2. Main aspects

The key aspects of the revised priorities are summarised below:

- **Priority 1. Strengthening banks' resilience to geopolitical risks and macro-financial uncertainties.**
The ECB underscores that banks must reinforce their ability to withstand an increasingly uncertain operating environment marked by heightened geopolitical tensions, trade fragmentation, climate and nature-related risks, demographic shifts and rapid technological change. While banks currently exhibit solid fundamentals, these structural forces increase the likelihood of severe tail-risk scenarios and require continued vigilance and forward-looking risk management.
Key vulnerabilities identified include:
 - Ensuring prudent risk-taking and sound lending standards: Banks are expected to maintain sound lending practices and risk-based pricing to prevent asset quality deterioration and the accumulation of non-performing loans (NPLs).
 - Ensure adequate capitalisation and consistent application of the Capital Requirements Regulation (CRR) III: Institutions should prepare to correctly apply the new standardised approaches to ensure sufficient capital levels under stress conditions.
 - Ensure effective management of climate and nature-related risks: Banks should strengthen their capacity to assess and manage risks arising from climate and natural events in the short, medium and long term, addressing persistent weaknesses in their management frameworks.
- **Priority 2. Strengthening banks' operational resilience and fostering robust information and communication technology (ICT) capabilities.**
The ECB highlights the need for banks to address long-standing deficiencies in their operational resilience and ICT risk-management frameworks. This priority supports the broader supervisory shift from identifying risks to ensuring that banks remediate material shortcomings in a timely and effective manner.
Key vulnerabilities identified include:
 - Implement robust and resilient operational risk management frameworks: Banks are expected to reinforce their operational risk frameworks, including incident response, business continuity planning, management of third-party dependencies and cyber-security resilience. Ensuring compliance with the Digital Operational Resilience Act (DORA) is a key element of this expectation.
 - Remedy deficiencies in risk reporting capabilities and related information systems: Institutions must remedy gaps in data governance, fragmented IT infrastructures, insufficient data-quality controls and delays in risk reporting, all of which hinder effective risk identification and decision-making.
- **Medium- and long-term priority: Digital strategies (and those related to artificial intelligence – AI), as well as their governance and risk management.**
In addition to the two core supervisory priorities, the ECB identifies a medium- to long-term focus on banks' digital transformation, especially regarding the adoption and governance of advanced technologies such as AI and cloud services. As digitalisation accelerates across the banking sector, institutions must ensure that strategic initiatives are supported by sound governance, robust risk controls and appropriate oversight frameworks.

Key vulnerabilities identified include:

- Overcoming fragmentation or insufficient definition of digital strategies: some banks may lack fully articulated transformation plans and governance structures capable of supporting the scale and complexity of digital and AI-based initiatives.
- Strengthen governance and oversight of emerging technologies: institutions must strengthen their ability to monitor, assess and manage the prudential implications of adopting AI, using cloud services and other advanced technologies, ensuring their alignment with business models and risk profiles.

20/11/2025

E ECB - Aggregated results of the 2025 SREP**1. Context**

The Supervisory Review and Evaluation Process (SREP) is an essential exercise in which European banking supervisors evaluate the risks faced by banks and how effectively these risks are being managed. Based on these SREP results, the ECB sets capital requirements and imposes qualitative measures to ensure that every bank addresses the identified shortcomings.

In this context, the ECB has published the **outcome of the 2025 SREP**, which reflects the resilience of Europe's banking sector amid continuing vulnerabilities. The findings of the annual assessment indicate that the European Union (EU) banking sector remains well-capitalized and liquid, and continues to generate robust profitability. Overall capital requirements and guidance applicable for 2026 decreased slightly to 15.6% of risk-weighted assets, reflecting stable risk profiles and improved scores in several areas. However, the assessment also identifies persistent vulnerabilities, including in credit, operational and governance risks, as well as elevated external uncertainties.

2. Main aspects

The results are as follows for each of the fundamental elements:

- **Business model.** Euro area bank profitability continued to rise in 2024 and into the first half of 2025, reaching new highs despite the gradual slowing of net interest income (NII) growth as monetary policy normalized. Higher core revenues, supported by stronger fee and commission income and robust trading results, lifted aggregate return on equity to 9.5% in 2024 and above 10% in mid-2025, while return on assets increased to 0.7% in 2024 and remained around that level in mid-2025. Expenses grew broadly in line with inflation, allowing cost efficiency to improve further. Strategic improvements, stronger revenue generation and better cost management drove 18% of business model SREP scores upward in the 2025 cycle, outweighing the 4% that deteriorated. Despite high profitability, supervisors remained cautious about the sustainability of business models amid slowing NII, increasing reliance on concentrated or volatile income sources, and elevated macroeconomic and geopolitical uncertainty.
- **Internal governance and risk management.** Strong internal governance and robust risk management remain a central supervisory concern, particularly against a backdrop of heightened geopolitical and macro-financial risks. The 2025 SREP again highlights the importance of strong governance and effective risk controls, with several weaknesses still present across institutions. Progress on Risk Data Aggregation and Risk Reporting (RDARR) remains slow owing to fragmented IT systems and limited prioritization by management bodies. Supervisors also noted shortcomings in board composition and risk culture, including insufficient specialized expertise and weak challenge capacity. In addition, internal control functions continue to face resource and capability gaps, constraining their effectiveness. While overall governance scores showed modest improvement, these persistent issues underline the need for further structural enhancements.
- **Credit risk.** Credit risk developments in 2025 showed a mix of resilience and emerging pressures. Progress in reducing legacy non-performing loans (NPLs) in several jurisdictions and continued household strength supported by favorable labor market conditions and rising incomes helped to stabilize retail portfolios. However, risks persisted in more vulnerable segments. Commercial real estate exposures, particularly in Germany, Austria, Luxembourg and Estonia, continued to deteriorate owing to structural shifts in office demand, environmental considerations and downward price adjustments. At the same time, small and medium-sized enterprises (SMEs) portfolios faced increased strain amid higher operating costs, sector-specific pressures and ongoing geopolitical uncertainty. Overall, 25% of credit risk scores changed, with upgrades outweighing downgrades, although the average score improved only marginally. As in previous cycles, these findings underscore continued supervisory concerns around banks' credit risk management frameworks, which remain a core priority for ECB Banking Supervision.
- **Capital adequacy.** Capital adequacy scores remained broadly stable in the 2025 SREP cycle, with around 70% of banks retaining their previous scores, 20% recording improvements and 10% experiencing deteriorations. Supervisors emphasized the importance of prudent and forward-looking capital planning, particularly in light of geopolitical and macroeconomic uncertainties, and highlighted the need for reliable and timely capital projections. The integration of ICAAP as a risk control element under the capital adequacy assessment did not alter the overall scoring approach, but reinforced supervisory scrutiny of banks' capital planning frameworks, including their scenario design, stress testing practices and the link between ICAAP and recovery planning. As of Q2 2025, all banks met their capital requirements, buffers and guidance, with CET1 headroom remaining adequate across the system.
- **Operational and information and communication technology risk.** Operational and Information and Communication technology (ICT) risk remained the weakest-scoring SREP category in 2025, driven largely by persistent deficiencies in ICT governance, risk management and security. Increasing digitalization, heavier reliance on outsourcing and the introduction of the new Digital Operational Resilience Act (DORA) framework continued to challenge banks' operational resilience, while stricter third-

party oversight requirements heightened supervisory expectations. ICT-related weaknesses were the main contributors to poor scores, with notable concerns for institutions relying extensively on foreign service providers. Targeted reviews of outsourcing and cyber resilience identified recurring gaps in outsourcing governance, exit strategies and business continuity arrangements. As the ECB adjusts its supervisory toolkit to fully implement DORA, supervisory efforts remain focused on strengthening ICT risk controls, enhancing operational resilience frameworks and ensuring banks can effectively manage and monitor critical outsourced services.

- **Climate and environmental (C&E) risks.** C&E Risks remained a key supervisory priority in 2025, with ECB Banking Supervision continuing to intensify its efforts to ensure banks effectively identify, assess and manage these risks. Building on the milestones set since 2022, supervisors reviewed banks' progress in integrating C&E risks into governance, strategy and risk management frameworks, including ICAAP and stress testing.

21/11/2025

CL ECB - SREP 2025 methodology update**1. Context**

The SREP process constitutes the main prudential supervisory framework under the Single Supervisory Mechanism (SSM) for assessing, on a continuous and structured basis through annual cycles, the situation and risk profile of supervised entities. The methodology underpinning this process is published and periodically updated by the ECB, to reflect current supervisory priorities and the adjustments deemed necessary in the practical application of the SREP, thereby strengthening the resilience and financial stability of supervised institutions.

In this context, the ECB has **updated the SREP methodology**, introducing a new decision format and a clearer, more priority-driven and efficient framework with the aim of simplifying and sharpening the supervisory process.

2. Main aspects

The document includes the following changes from the 2024 version:

- **General framework.** The general framework of the SREP remains the same as in 2024, retaining the integrated assessment of the four elements of the process: i) business model; ii) internal governance and risk management; iii) risks to capital; and iv) risks to liquidity and funding. However, in 2025 a more efficient and focused approach is introduced, highlighting the adoption of more concise SREP decisions focused only on the main supervisory concerns and the elimination of executive letters, together with greater use of the risk tolerance framework (RTF) and the multi-year approach (MYA) to modulate the intensity of the SREP according to the risk profile of each institution.
- **Business model.** The business model assessment retains the same components and objectives as in 2024, but the novelty of 2025 lies in the expanded application of the MYA, which allows for a reduction in the depth of analysis when the institution's profile remains stable, aligning the intensity of the assessment with the supervisory priorities identified through the RTF and reinforcing consistency through greater use of supervisory indicators and analysis.
- **Internal governance and risk management.** The content and areas covered in governance and risks remain unchanged from 2024, but in 2025 a significant change is introduced with the new tiered approach to findings: low-severity findings (F1/F2) will now be managed through compliance reminders without the need for formal closure except for sampling, while higher-severity findings (F3/F4) will continue to be monitored intensively, thus modifying the prioritization and monitoring of internal control, data, and operational risk deficiencies.
- **Capital risks.** The analysis of capital risks remains structurally the same as in 2024, but the 2025 update incorporates a preparatory phase for the new Pillar 2 (P2R) methodology, which will begin to be applied in the 2026 cycle, so that in 2025 the assessment begins to align with the future P2R framework without yet modifying the quantification, also integrating the RTF and MYA to adjust the intensity of the analysis according to the risk profile.
- **Liquidity risks.** The treatment of liquidity risk maintains its 2024 structure and criteria, although in 2025 greater modulation of supervisory intensity is introduced through the RTF and MYA—allowing for less intensive assessments in institutions with stable liquidity profiles—and the use of analytical tools to assess funding stability and liquidity vulnerabilities is reinforced, with no structural changes to the technical content of the assessment.

11/12/2025

CL

ECB - Recommendations on simplification of the prudential, supervisory and reporting framework**1. Context**

In recent years, the European prudential framework governing banks in terms of regulation, supervision and reporting has become increasingly complex, with multiple layers of capital requirements, macroprudential tools, highly detailed supervisory processes and extensive reporting obligations. This accumulation of rules and processes can hamper the competitiveness of euro area banks, increase their administrative burden and hinder their ability to channel financing to the real economy, while maintaining resilience, prudential effectiveness, European harmonisation and the full implementation of Basel III standards. Therefore, in March 2025, the Governing Council of the ECB established the HLTF to identify unjustified complexities in this framework and propose solutions.

In December 2025, the ECB endorsed the HLTF report, which includes **17 recommendations to simplify the regulatory, supervisory and reporting framework** for European banks, with the aim of reducing complexity and administrative burdens without diminishing the resilience of the system or the ability of authorities to meet their microprudential, macroprudential and resolution objectives.

2. Main aspects**Proposals to simplify the regulatory framework (Recommendations 1–9):**

- **Recommendation 1. Simplification of capital stacks and leverage ratio.** It is proposed to reduce the number of elements that make up the risk-weighted capital buffers and the leverage ratio framework, bringing them closer to the structure envisaged by Basel. To this end, it is envisaged to merge the various buffers into two large blocks (releasable and non-releasable) and to streamline the leverage ratio framework towards a minimum requirement and a single buffer, keeping the Pillar 2 guidance separate, with the aim of making the capital framework more transparent and predictable for banks and investors.
- **Recommendation 2. Improving the quality of capital in a going concern situation.** The role of Additional Tier 1 (AT1) and Tier 2 capital instruments in the continuity stack is examined, as their loss absorption capacity is considered unclear. Two alternatives are assessed: strengthening the characteristics of these instruments to better ensure their loss-absorbing capacity in going concern or removing them from the going concern stack and replacing them wholly or partially with Common Equity Tier 1 (CET1) capital, carefully assessing the impact on resilience, Basel compliance and capital neutrality.
- **Recommendation 3. Prudent expansion of the simplified regime.** We advocate broadening and deepening the regime for small and non-complex institutions (SNCIs), increasing the size threshold, extending the scope of the simplified rules and harmonising supervisory requirements (e.g. in internal governance, stress testing, recovery plans or risk functions), taking as a reference the simplified regimes in the United Kingdom, Switzerland and the United States and calibrating the new regime prudently to maintain adequate risk coverage.
- **Recommendation 4. Automatic reciprocity measures up to a certain threshold, combined with a more standardised application of macroprudential tools.** To this end, it is planned to rely on common reporting (COREP) and financial reporting (FINREP) templates and regular communications from the European Systemic Risk Board (ESRB) in order to reduce complexity for authorities and banks and avoid lengthy and fragmented reciprocity processes.
- **Recommendation 5. Alignment of MREL and TLAC frameworks.** It is suggested that the total loss-absorbing capacity (TLAC) and minimum requirements for own funds and eligible liabilities (MREL) frameworks be brought closer together, reducing the number of stacks and maintaining the current level of gone-concern resources. As an example, it is mentioned that MREL should be articulated through a uniform floor calibrated to the TLAC level, plus a specific component set by the resolution authority, so as to reduce complexity and limit problematic interactions with the continuity framework.
- **Recommendation 6. Increased use of regulations versus directives and streamlining of Level 2 and 3 acts.** It is advocated to reorient European Union (EU) prudential law towards greater use of (directly applicable) regulations. A comprehensive review of Level 2 and 3 acts and their application could reduce their prescriptiveness and increase supervisory discretion.
- **Recommendation 7. Simplification of the EU-wide stress test methodology.** The reform should have a clear and agreed direction in terms of objectives, general approach and use of results. The changes should take into account various issues, such as risks identified by the stress test, the scenario, the methodology or the granularity of the data and its alignment with existing reports.
- **Recommendation 8. EC Governing Council responsible for adopting a holistic view of the overall level of capital in the banking union.** It is proposed that the Governing Council of the ECB, supported by the Macroprudential Forum, adopt a qualitative view of the aggregate level of capital requirements and buffers in the banking sector of the Single Supervisory Mechanism (SSM), in order to identify unjustified overlaps and heterogeneities between countries, without altering current mandates or national competences.

- **Recommendation 9. Finalisation of the savings and investment union, including completion of the banking union, to reduce national fragmentation and allow for more efficient capital markets.** This includes taking concrete steps towards the finalisation of European deposit insurance scheme (EDIS), with a clear timetable for implementation, and fostering deeper capital markets by progressing on the savings and investment union. To lay the foundations for increasing cross-border banking, the completion of banking union should facilitate other measures that support integrated and efficient risk management at consolidated level. This will enable capital and liquidity to flow within banking groups in the banking union.

Proposals to simplify the supervisory framework (Recommendations 10–11):

- **Recommendation 10. Strengthening and completing the Single Rulebook to simplify and harmonise supervisory practices and help deepen the internal market in banking.** This should reduce the complexity arising from diverging national powers, implement International Monetary Fund recommendations, and involve a structured review of options and discretions in the Capital Requirements Regulation, the Capital Requirements Directive, the Bank Recovery and Resolution Directive and associated level 2 or 3 legislation, also considering whether certain provisions currently set in directives could be established in directly applicable regulation.
- **Recommendation 11. Reconsidering the level of prescriptiveness of legislation governing supervisory processes to identify areas where more risk-based approaches can be implemented.** This includes reviewing mandatory activities and frequencies (e.g. internal models every three years under Article 101(1) of the CRD and similar provisions for market risk under Article 325c of the CRR), allowing greater flexibility to determine minimum stress testing frequencies in line with banks' risk profiles, and reviewing binding supervisory approval processes, replacing entity-specific approvals with a simpler non-objection requirement where relevant (for example, under Article 11 of European Market Infrastructure Regulation (EMIR) after validation by the European Banking Authority (EBA)), while reiterating banks remain responsible and accountable for ensuring their resilience, governance and risk management.

Proposals to simplify the reporting framework (Recommendations 12–17):

- **Recommendation 12. Stepping up coordination and data sharing among key stakeholders to avoid redundancy in data requests.** It is recommended that coordination and data sharing between the ECB, the European Supervisory Authorities (ESAs), the Single Resolution Board (SRB), the national competent authorities (NCAs) and the national central banks (NCBs), supported by the Joint Banking Reporting Committee (JBRC) and the Regulation on Better Data Exchange, in order to minimise duplicate requests and ensure that new data collections respond to clearly justified needs.
- **Recommendation 13. Promoting an integrated reporting system with a single granular data set.** It promotes progress towards an integrated reporting system in Europe, in which a single granular data set serves statistical, prudential and resolution purposes, based on a common data model and data dictionary managed within the JBRC and supported by ongoing reporting integration initiatives.
- **Recommendation 14. Defining materiality thresholds and supervisory tolerance margins for minor errors.** It introduces the idea of establishing supervisory tolerance margins for minor errors, so that banks are not required to resubmit reports when corrections are immaterial. These thresholds, developed by the ECB and the EBA, are linked to the principles of relevance, simplicity and proportionality, reducing administrative costs without impairing data quality.
- **Recommendation 15. Publishing a public inventory of non-market-sensitive reporting requirements.** It proposes publishing an inventory of non-market-sensitive information requirements imposed on banks, including ad hoc requests, making use of tools such as the SSM data collection database, to facilitate the identification of overlaps, enhance transparency and support the construction of a more integrated reporting framework.
- **Recommendation 16. Introducing periodic reviews to remove redundant or obsolete reporting obligations.** It envisages introducing explicit obligations for authorities to periodically review (for example, every three to five years) the validity and relevance of reporting requirements, using objective criteria to assess the need to maintain them, coordinating the process through the JBRC and withdrawing redundant or obsolete obligations.
- **Recommendation 17. Reforming Pillar 3 public disclosure to eliminate the double transmission of data.** It foresees aligning reporting and public disclosure frameworks more closely by eliminating the double transmission of supervisory and Pillar 3 data. It also envisages extending the EBA's mandate to derive Pillar 3 data directly from supervisory reporting through the Pillar 3 Data Hub for all institutions and reviewing the usefulness of certain very detailed disclosure requirements, especially for smaller banks.

3. Next steps

- The operationalisation, impact assessments and effective implementation of the recommendations should be developed in close cooperation with the relevant EU authorities, taking into account the impact on Member States not participating in the SSM.
- Under the direction of the EC, recommendations to simplify the regulatory and supervisory framework may be further developed by the ESCB, the SRB, the ESRB and the EBA, with continued support from the ECB.

- In the area of reporting, the operationalisation of the recommendations should be carried out in close cooperation between the ESAs, the SRB, the NCAs, the NCBs and the ECB, building on ongoing initiatives and projects at the EBA, the ECB and the JBRC.

12/12/2025

CL

ECB - Announcement of a geopolitical risk reverse stress test in 2026**1. Context**

Geopolitical risk is a cross-cutting risk driver that can have an impact on banks' traditional risk categories, as it cuts across credit, market, liquidity, business model, governance and operational risks. It can also affect banks through multiple channels, including financial markets, the real economy and the safety and security of banks' operations. As a key driver of macroeconomic uncertainty, it remains at the centre of the ECB's supervisory priorities for 2026-28.

In this context, the ECB has **announced that in 2026 it will conduct a reverse stress test on geopolitical risk** for 110 directly supervised banks, with the aim of assessing the extent to which their stress testing capabilities incorporate geopolitical risks and strengthening their risk management capabilities, particularly in reverse stress testing, as well as their ability to design prudent capital and recovery plans.

2. Main aspects

- **Scope of the exercise.** The exercise will apply to 110 banks directly supervised by the ECB. Some significant institutions may be excluded in specific cases (e.g. because they are covered at a higher level of consolidation, because they are participating in other simultaneous exercises or because they are undergoing merger or restructuring processes).
- **Reverse stress testing approach.** The exercise adopts a reverse stress testing approach, in which a predetermined supervisory outcome is set and each institution must construct the geopolitical scenario in which this outcome materialises. In particular, banks must identify geopolitical events capable of generating a reduction of at least 300 basis points in Common Equity Tier 1 (CET1) capital, thus differing from previous exercises based on common scenarios, such as the European Banking Authority (EBA) stress test of 2025.
- **Assessment of internal risk management capabilities.** Beyond the quantitative impact, the exercise will allow the supervisor to assess the extent to which institutions integrate geopolitical risk into their internal management frameworks. In this regard, the exercise will analyse banks' ability to identify risks relevant to their business model, translate them into plausible scenarios, articulate mitigation actions and adequately reflect these elements in their governance, operational resilience and stress testing frameworks, with a particular focus on reverse stress testing.
- **Integration into ICAAP and supervisory use.** To ensure the efficiency of the exercise, the test will be integrated into the 2026 internal capital adequacy assessment process (ICAAP), allowing the use of existing supervisory templates. In line with previous thematic exercises under Article 100 of the Capital Requirements Directive (CRD), the result will not have direct quantitative implications for Pillar 2 guidance, but will be used qualitatively to complement the supervisory review and evaluation process (SREP), particularly with regard to the materiality of geopolitical risk, stress testing frameworks, and data aggregation and reporting capabilities.

3. Next steps

- Aggregate results will be communicated in **summer 2026** and will be used to assess banks' ability to manage geopolitical risks within their capital assessment and recovery planning processes.

31/10/2025

EDPS - Guidelines on generative AI



1. Context

In 2024, the EDPS published its first guidelines on generative AI, as a preliminary step towards developing more comprehensive and structured guidance for European Union institutions, bodies, and agencies (EUIs). Those initial guidelines sought to provide a practical interpretation of the principles of Regulation 2018/1725, which establishes the rules applicable to the processing of personal data by EUIs, at a time when generative AI was beginning to be used by EUIs without a specific reference framework. These initial guidelines were conceived as a living document, intended to evolve as technology and supervisory practices advanced.

In this context, the EDPS has published **Guidelines to ensure data protection compliance when using generative AI systems**, with the aim of providing European institutions with updated guidelines on how to ensure compliance with Regulation 2018/1725 in the use, development, and deployment of generative AI systems, reinforcing the application of data protection principles in the face of rapid technological developments.

2. Main aspects

The Guidelines contain the following main changes compared to those of 2024:

- **Scope and technical terminology.** The 2025 version broadens the scope of the guidelines and provides a more structured description of generative AI systems. It incorporates the distinction between models (algorithmic structures trained to generate content) and AI systems (functional sets that integrate models together with interfaces, databases, and human control mechanisms). References to new training techniques such as Reinforcement Learning with AI Feedback (RLAIF) are also added, and the entire life cycle of generative AI is included in a graphic diagram.
- **Roles and responsibilities.** One of the main additions to the 2025 version is a separate chapter on determining roles and responsibilities. The differences between the concepts in Regulation 2018/1725—controller, processor, and joint controller—and the categories in the AI Act (supplier, developer, and deployer) are defined more precisely. EUIs are recommended to conduct case-by-case assessments and document contractual relationships, incorporating practical examples of internal developments and the use of third-party models.
- **Data Protection Impact Assessment (DPIA) and risk management.** The new version reinforces the obligations relating to DPIA, aligning them with a continuous review approach. While the 2024 guidance required DPIA only before initiating high-risk processing, the 2025 guidance introduces the need to periodically monitor emerging risks, update assessments, and document mitigation measures. It is established that if risks cannot be reasonably mitigated, the EDPS must be consulted.
- **Identification of personal data processing.** The revised guidelines expand on the explanation of when the use of generative AI involves the processing of personal data. It clarifies that processing can occur in multiple phases (training, validation, inference, or output) and that the model will only be considered anonymous when the probability of identification is negligible. It also introduces a more detailed legal analysis of the use of web scraping, pointing out its difficult justification as a basis for lawfulness when public interest is invoked.
- **Legal bases and applicable principles.** Unlike the 2024 version, which described the bases for lawfulness in general terms, the 2025 guide requires the legal bases to be differentiated by phase of the system's life cycle (development and deployment). The use of legitimate interest as a valid basis for EUIs is expressly ruled out, the application of Article 5(1)(a) — task carried out in the public interest or in the exercise of official authority — is reinforced, and verification is required to ensure that external models have not been trained with unlawful processing of personal data.
- **Principles of purpose, minimization, and accuracy.** The new document devotes specific sections to each principle: i) in terms of purpose, it establishes that a clear and distinct purpose must be defined for each stage of the life cycle; ii) on minimization, it requires justification that there are no alternatives to the use of personal data and demonstration that only what is strictly necessary is used; and iii) on accuracy, it introduces the obligation to verify sources, maintain technical documentation, and establish human oversight mechanisms to detect errors or hallucinations in the results.
- **Transparency, automated decisions, and biases.** The 2025 version expands the duty of transparency, requiring EUIs to inform data subjects not only about the logic of the system, but also about the data sources used and the update procedures. It clarifies that Article 24 of the Regulation applies even when the decision is not fully automated. In addition, bias management obligations are strengthened, including the need for periodic audits, technical documentation, and continuous monitoring of results.
- **Rights of data subjects.** The new version substantially expands this section, addressing the practical difficulties in exercising rights over data used in training or generated by inference. Detailed examples of requests for rectification and erasure are included, and it is recommended that traceable records of datasets and outputs be kept facilitating responses to data subjects.

- **Security and cyber protection.** The 2025 version expands the coverage of security risks and incorporates new threats specific to generative AI systems, such as prompt injection, jailbreaking, and augmented generation recovery leaks. It emphasizes the use of reliable data sources, external audits, specialized staff training, and continuous review of security assessments.

12/11/2025

T EDPS - Guidance for risk management of AI systems



1. Context

The EDPS, an independent authority responsible for ensuring the protection of personal data by European Union institutions and bodies (EUIs), has issued several documents in recent years to guide the responsible use of AI. In June 2024, it published Guidelines on the use of generative AI by European institutions, updated in October 2025, focused on ensuring compliance with the European Union Data Protection Regulation (EUDPR) in the use of generative AI systems.

In this context, the EDPS has published the **Guidelines on risk management for AI systems**, with the aim of guiding EUIs in identifying and mitigating risks to fundamental rights arising from the use of AI systems, within the framework of the EUDPR. It complements the EDPS guidelines on generative AI and provides a technical framework for assessing risks from a data protection perspective.

2. Main aspects

The Guidelines contain the following main aspects:

- **Risk management methodology.** Risk management, according to the International Organization for Standardization (ISO) 31000:2018 standard on risk management, which establishes general principles and guidelines applicable to any type of organization, is based on a structured process that includes four phases: i) identifying the sources and events that may affect the fundamental rights of stakeholders; ii) then analyzing the probability and impact of each risk (represented by a qualitative matrix of severity and probability); iii) assessing whether the risk is acceptable or requires additional measures; and iv) selecting and implementing actions to mitigate it and reviewing its effectiveness. The EDPS emphasizes that each institution must conduct a detailed analysis of each AI system according to its own context and criteria, and that if the risks cannot be reasonably mitigated, the EDPS must be consulted in accordance with Article 40(1) of the EUDPR, which requires consultation with the EDPS before initiating high-risk personal data processing.
 - **AI life cycle.** It defines AI systems, in accordance with the AI Act, as machine-based systems with varying levels of autonomy capable of generating outputs that influence physical or virtual environments, distinguishing them from AI models, which are only mathematical components of the system. The EDPS describes a life cycle consisting of nine phases—from conception and data preparation to system withdrawal—where risks may arise that must be identified and managed through appropriate controls. Likewise, when acquiring AI systems from third parties, EUIs must conduct risk assessments before committing resources, integrate safeguards into the tendering phases (publication, selection, award, and execution), and maintain ongoing validation and reassessment processes to ensure regulatory compliance and risk mitigation.
 - **Interpretability and explainability as sine qua non conditions.** It establishes that interpretability and explainability are indispensable conditions for ensuring compliance with the EUDPR in the development, acquisition, and use of AI systems by EU institutions. Interpretability refers to human understanding of the internal workings of the model (how it transforms inputs into outputs), while explainability consists of providing clear and understandable reasons why the model makes certain decisions. Both allow for the detection of errors, biases, and misuse, ensure that decisions are aligned with the organization's objectives, and guarantee the auditability of the system. The document identifies as the main risk the existence of black box systems that are impossible to interpret or explain, recommending measures such as detailed documentation of the model and training data, the use of explainability techniques, and statistical analysis of the results to justify the system's decisions.
 - **Data protection principles affected.** The EDPS identifies five key principles in which risks may materialize: i) fairness, which includes risks of bias in training data, overfitting, algorithmic and interpretation biases; ii) accuracy, which covers risks of incorrect model outputs, data drift, and lack of information from providers; iii) data minimization, which warns against indiscriminate collection and unnecessary storage of personal data; iv) security, which includes training data leaks, security breaches, and vulnerabilities in application programming interfaces (APIs); and v) data subject rights, which include technical challenges in identifying, rectifying, or deleting personal data within complex models. In addition, security risk coverage is expanded to include new threats specific to generative AI systems, such as prompt injection and jailbreaking, which are often left untranslated in technical texts, or augmented generation recovery leaks.
- ### 3. Next steps
- The Guidelines came into force on **November 11, 2025**, and will apply notwithstanding the obligations arising from the AI Act.

13/10/2025

CL EIOPA - Set of consultations related to the Solvency II Review**1. Context**

In July 2024, the European Commission (EC) adopted the revision of the Solvency II framework, concluding a process launched in 2020 with the aim of strengthening the stability of the European insurance sector, promoting long-term investment, and adapting the prudential regime to a more proportionate and efficient approach. This revision laid the groundwork for the development of technical standards and supervisory guidance to ensure its effective implementation in the coming years.

In this context, EIOPA has launched a **new set of consultations related to the Solvency II Review**. The consultations address areas such as the valuation of technical provisions, liquidity supervision, the treatment of ring-fenced funds, and the risk margin, with the aim of ensuring a coherent, proportionate, and transparent application of the revised prudential framework across the European Union (EU). EIOPA also aims to reduce by around 25–30% the total number of applicable guidelines to simplify and streamline the existing regulatory framework.

2. Main aspects

The new set of consultations includes six key documents:

- **Revised Implementing Technical Standards (ITS) on disclosure templates for supervisory authorities.** Proposes adjustments to align disclosure templates with recent regulatory changes and enhance transparency regarding the application of the proportionality framework by supervisory authorities. These updates also aim to improve supervisory reporting and promote greater consistency and transparency among the EU's national competent authorities.
- **Revised ITS on the treatment of the matching adjustment (MA).** Introduces amendments to the approval procedures for the MA, allowing full diversification to be considered for non–ring-fenced portfolios and enabling undertakings to combine their MA liquidity plans with their overall liquidity risk management plans.
- **Revised Guidelines on the valuation of technical provisions.** Proposes to simplify and shorten the guidance on the valuation of technical provisions by removing redundant elements related to the risk margin and updating Guideline 62, which addresses the calculation of the risk margin, to incorporate the new lambda factor into its computation.
- **Revised Guidelines on ring-fenced funds.** Proposes deleting several guidelines and updating legal references, resulting in a 29% reduction in the total number of guidelines, and clarifies that, following the Solvency II Review, not all MA portfolios will be treated as ring-fenced funds.
- **Regulatory Technical Standards (RTS) on the simplified calculation of the risk margin.** Reflect the changes the EC intends to introduce regarding the general calculation of the risk margin within the Level 2 provisions on its simplified approach. These changes aim to harmonize supervisory approaches to liquidity and risk management across the EU.
- **Guidelines on supervisory powers regarding liquidity vulnerabilities.** Define the measures supervisors may apply to address deficiencies in undertakings' liquidity management, detailing the scope, activation, and level of intervention of such powers, including the ability to strengthen liquidity positions or temporarily suspend redemption rights in times of stress.

3. Next steps

- The consultation period will remain open until **5th January 2026**.
- EIOPA intends to continue throughout **2026** with the publication of further consultations covering other components of the revised Solvency II framework, particularly those related to macroprudential supervision, liquidity, and risk management in the insurance sector.

03/12/2025

S EIOPA - Proposal for a natural catastrophe risk awareness and prevention tool (PROTECT)



1. Context

Over recent years, EIOPA has strengthened its work on climate-related risks and natural catastrophe (NatCat) protection gaps, recognising that raising citizens' awareness of natural and climate-related hazards is crucial to ensuring the availability and affordability of property insurance in Europe. EIOPA's research shows that by understanding the potential impacts of climate change on their homes and businesses, consumers are more likely to adopt measures that reduce their vulnerability to extreme weather events and improve long-term resilience. Enhanced awareness also supports more informed insurance decisions, narrowing the insurance protection gap and fostering a proactive approach to risk prevention across the European Union (EU).

In this context, EIOPA has published a **proposal for a natural catastrophe risk awareness and prevention tool** designed to help property owners reduce the vulnerability of their buildings to extreme weather events, limit potential losses and ultimately contribute to Europe's long-term resilience in the face of climate change. The proposed tool, PROTECT, aims to support European citizens in better understanding how climate change could affect residential and commercial buildings and what actions they can take in response.

2. Main aspects

The proposal sets out the following key features of the PROTECT tool:

- **Tailored risk prevention measures for before, during and after events.** According to EIOPA's proposal, PROTECT will provide property owners with practical, peril-specific prevention measures designed to reduce vulnerability to natural hazards such as floods, storms, earthquakes and wildfires. The tool will follow a layered and user-friendly format, offering both general preparedness guidance and detailed building-level recommendations (e.g., roof inspections, drainage maintenance, vegetation management, sealing gaps, reinforcing vulnerable structures). The document also highlights that prevention advice must be actionable, behaviourally informed, and tailored to the location and hazard type, helping citizens understand which measures are most effective and cost-efficient. The tool may include visuals, interactive modules and lists to facilitate comprehension and encourage action.
- **Key insurance-related considerations (exclusions, limits, deductibles, national schemes).** The report explains that PROTECT will also aim to increase consumers' insurance literacy by helping them understand what is typically covered under NatCat insurance, where exclusions may apply, and how deductibles or policy limits operate in practice. EIOPA points out that many consumers do not clearly understand their current level of protection and that inconsistent terminology and unclear disclosures across insurers can create an illusion of being insured. The paper therefore notes that the tool will provide simple, high-level guidance to support users in reviewing their policy documentation, identifying exclusions such as rainfall-driven floods or specific hazard sub-types, understanding national natural disaster compensation schemes where relevant, and preparing home inventories for claims purposes. EIOPA emphasises that the tool will not deliver personalised insurance advice but will instead direct users towards insurers or intermediaries when tailored information is required.
- **Insights into the potential positive impact of prevention measures on risk-based insurance premiums.** EIOPA notes that effective risk-mitigation actions may, in some cases, reduce insurers' risk assessments and improve premium affordability or coverage availability. PROTECT is therefore expected to include illustrative, high-level insights showing how certain measures (improved roof resistance, flood-proofing installations, or fire-resilient landscaping) can contribute to better risk profiles. The document clarifies that the tool will not calculate exact premium reductions, as this depends on insurer methodologies and local risk models. Instead, it will highlight the general relationship between adaptation measures and risk-based pricing, helping consumers understand that preventive action can support long-term insurability and resilience. EIOPA also stresses that meaningful communication about premium impacts must be transparent, non-misleading and based on robust data.

3. Next steps

- EIOPA has not announced a formal timeline for the development or deployment of PROTECT, although the report indicates that a phased, step-by-step approach may be adopted as methodologies and data sources evolve
- The proposal states that further coordination with EU and national authorities, as well as industry stakeholders, will be needed to determine governance, data requirements and implementation arrangements.

09/12/2025

S

EIOPA - New consultation package on the implementation of the IRRD**1. Context**

The IRRD, which is scheduled to come into force in January 2027, introduces a specific recovery and resolution framework for reinsurers in Europe. The Directive focuses on the importance of preventive planning and effective crisis management, with the aim of maintaining the stability of the European insurance sector and enabling the orderly winding-up of entities and groups in difficulty, reducing the likelihood of failures and limiting their impact when they occur, in a more effective and cost-efficient manner.

In this context, EIOPA has published **seven consultation documents with draft guidelines and regulatory technical standards (RTS) to develop the insurance recovery and resolution framework provided for in the IRRD**, with the aim of specifying the scenarios and indicators for preventive recovery plans, the criteria for the application of simplified obligations, the rules for the provision of information and the valuation methodologies in resolution.

2. Main aspects

The consultation package includes the following Guidelines and RTS:

- **Guidelines on scenarios for preventive recovery plans.** These propose a set of macroeconomic and financial stress scenarios, both systemic and specific to the insurance business (e.g. mass policy cancellations, significant increases in claims or underwriting losses), which entities should use in their preventive recovery plans to assess the credibility and viability of the planned measures, analysing their impact on the solvency position, liquidity and profitability of the group or entity.
- **Guidelines on indicators for preventive recovery plans.** They define the qualitative and quantitative indicators that must be included in preventive recovery plans, covering indicators of capital and solvency, liquidity, asset quality, profitability, market and macroeconomic conditions, as well as operational events. The guidelines specify how to use these indicators to trigger alert phases and assess the need to implement recovery measures.
- **Guidelines on the provision of information and the use of exemptions from professional secrecy.** These establish the rules applicable to the use of exemptions from professional secrecy when sharing confidential information in the context of recovery and resolution, especially when disclosures are made in summary or aggregate form without allowing the identification of individual entities. They also address cooperation and information exchange between resolution authorities and supervisors.
- **Guidelines on the application of simplified recovery and resolution obligations.** These specify the eligibility criteria for the application of simplified recovery and resolution obligations, detailing factors such as the nature of the business, shareholding structure, legal form, risk profile, size, legal situation, degree of interconnectedness, and the scope and complexity of activities. These guidelines provide guidance to authorities in determining which institutions or groups may benefit from less stringent requirements without compromising the objectives of the framework.
- **RTS on the independence of valuers in resolution processes.** These define the conditions under which a candidate valuer can be considered independent from both the resolution authority and the entity under resolution, including criteria on financial, employment, commercial or other interests that may give rise to conflicts, so that the valuation of assets and liabilities in the resolution process is objective and reliable.
- **RTS on the contractual recognition of stay powers in resolution.** These establish standardised contractual terms for financial contracts subject to third-country law, in order to ensure that the resolution authority can exercise its powers to stay or restrict rights and obligations (stay powers) over such contracts and to strengthen the cross-border enforceability of its decisions in a resolution context.
- **RTS on the valuation of liabilities arising from derivative contracts in resolution.** These specify the methodologies and principles to be applied when valuing liabilities arising from derivative contracts during the resolution process, including aspects relating to the determination of economic value under stress conditions, the consideration of guarantees and collateral, and consistency with other elements of the overall valuation of the institution.

3. Next steps

- The period for submitting comments ends on **20 March 2026**.

16/12/2025



EiOPA - Results of the European liquidity stress test for occupational pension funds



1. Context

In April 2025, EiOPA launched a Europe-wide liquidity stress test exercise targeting IORPs, with the aim of assessing their resilience to severe market stress scenarios. The exercise focused specifically on the liquidity risk arising from the use of financial instruments, in particular derivatives used for risk hedging, and on the ability of institutions to cope with significant margin calls in a context of sharp movements in interest rate curves and high financial volatility.

In this context, EiOPA has published **the results of the stress test**, with the aim of identifying vulnerabilities at aggregate level and by entity, analysing the adequacy of available liquidity buffers and drawing conclusions relevant to supervision and dialogue with the competent authorities and occupational pension funds themselves on liquidity risk management.

2. Main aspects

The published document sets out the main conclusions of the liquidity stress test of IORPs against extreme market scenarios:

- **Liquidity position and sustainability of buffers.** The exercise is based on two adverse macro-financial scenarios: the yield curve up (YCU) scenario and the yield curve down (YCD) scenario. The results show that IORPs started from an aggregate positive liquidity position, which is subject to significant stress in both scenarios. In the YCU scenario, the aggregate liquidity position becomes negative before management actions are implemented, while in the YCD scenario it remains positive. However, analysis of liquidity sustainability indicators, which incorporates the set of liquid assets available after applying prudential haircuts, shows that no entity has an unsustainable liquidity position, with solid buffers remaining at the aggregate level.
- **Liquidity flows and immediate cash needs.** The liquidity stresses observed are mainly explained by outflows associated with margin calls arising from the use of financial instruments for risk hedging, as well as other market impacts on short-term cash needs. These flows are particularly relevant in the YCU scenario, where margin calls must be covered within very short time frames and, in most cases, in cash, generating significant pressures on the daily liquidity management of a significant number of IORPs.
- **Stocks of liquid assets and shock absorption capacity.** Analysis of liquid asset stocks, beyond cash and cash equivalents, highlights that IORPs have a broad base of potentially mobilisable assets to cope with liquidity stresses under both scenarios. Although the aggregate volume of liquid assets is reduced after the stress, especially before the implementation of management actions, these stocks make it possible to absorb liquidity needs without resorting to disorderly sales. The implementation of management actions helps to preserve these stocks and restore a positive aggregate liquidity position.
- **Overall conclusions of the exercise.** Overall, the exercise confirms that, although IORPs face significant liquidity risks, especially in scenarios of rapid interest rate rises, the sector has sufficient risk management capabilities and buffers to absorb severe shocks. Institutions maintain a stabilising behaviour, remaining net buyers even in stress situations and avoiding contagion effects on other financial markets.

3. Next steps

- The stress test exercise had a primarily microprudential approach and is not designed as a binary pass/fail exercise. However, its conclusions provide a solid basis for follow-up dialogue between supervisors and participating occupational pension institutions regarding the vulnerabilities identified.
- The results of the exercise will also support EiOPA's work in strengthening the supervision of these institutions' liquidity risk management frameworks.

19/11/2025

S EP - Endorsement and additional adjustments to the Omnibus proposal



1. Context

In February 2025, the European Commission (EC) presented its proposed Omnibus package, with the aim of simplifying and reducing the administrative burdens arising from the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D). This proposal included significant changes to the thresholds for application, the definition of the value chain, the requirements associated with climate transition and the functioning of reporting standards. In July 2025, the Council adopted its position and amended several key elements of the Commission's text, particularly in relation to proportionality, limits on requesting information from the value chain, and transitional arrangements for climate plans. Subsequently, the European Parliament held a first vote on a compromise text that did not achieve the required majority, reopening internal negotiations.

In this context, the EP has endorsed the proposal to simplify the Omnibus package, incorporating additional adjustments with the aim of reducing administrative burdens, clarifying the scope of obligations, and ensuring a more proportionate application of sustainability and due diligence requirements.

2. Main aspects

- The text approved by Parliament contains the following key aspects, compared to the mandate of the Commission and the Council:
- **Revision of the scope of the CSRD.** The Commission's proposal reduced the individual scope of reporting to companies with more than 1,000 employees or exceeding the financial thresholds of the Accounting Directive, in order to ease the burden on smaller companies. The Council's mandate already modified this approach, introducing a cumulative threshold of more than 1,000 employees and more than €450 million in turnover, with the aim of restricting the universe of companies required to comply. The Parliament further tightens this approach and stipulates that only companies with more than 1,750 employees and €450 million in turnover will be subject to the directive, aligning the CSRD with the new proportionality criteria adopted in the CS3D. This new threshold represents a significant reduction compared to both the Commission's and the Council's texts, with a direct impact on the number of companies affected and the mandatory content of consolidated reports.
- **Revision of the scope of the CS3D.** The Commission had set a very narrow scope, limited to companies with more than 5,000 employees and €1.5 billion in turnover in the Union, which already represented a substantial reduction compared to the scope initially negotiated in the CS3D. The Council maintained this threshold. The Parliament, on the other hand, introduces a single harmonised threshold of more than 1,750 employees and more than €450 million in turnover, aligning it with the CSRD.
- **Risk-based due diligence approach.** The Commission maintained a broad approach that required identifying risks and obtaining relevant information throughout the chain of activities, allowing information to be requested from business partners when necessary. The Council reduced this scope by focusing on more likely and more serious risks, limiting the need to contact indirect partners. The Parliament goes further and establishes that companies must base their initial delimitation exclusively on reasonably available information, a concept it introduces and which was not included in the Commission's proposal, without contacting business partners unless there are verifiable signs of significant adverse impacts. This change significantly reduces the operational burdens compared to the Commission and the Council, reinforces a strictly risk-based approach and provides a clearer legal basis for justifying the absence of information in certain cases.
- **Value chain information and use of voluntary standards (ESRS).** The Commission had proposed that companies should not be able to request additional information from companies in their value chain with fewer than 1,000 employees, shifting part of the focus to the voluntary standard. The Council maintained this limit. The Parliament increases the level of protection in the value chain, establishing that information exceeding voluntary standards cannot be required from companies with fewer than 1,750 employees and €450 million in turnover.
- **Simplified climate transition plans.** The Commission maintained the obligation to adopt climate transition plans as part of the set of sustainability and due diligence obligations, although it allowed for some flexibility. The Council had softened this obligation by allowing its voluntary adoption during the first two years. The Parliament completely removes this requirement from the CS3D text, citing proportionality criteria and the need to avoid duplication, given that the CSRD already regulates climate transition information through ESRS.
- **Civil liability.** The Commission proposed that Member States regulate civil liability in accordance with their national frameworks, without introducing harmonised limits for financial penalties. The Council maintained this approach. The Parliament introduces an element of harmonisation by requiring Member States to set a maximum limit for financial penalties equivalent to 5% of the global turnover of the company.

or group, which is a substantial change from the Commission's model and establishes greater consistency in the cross-border application of the penalty regime.

- **Exemptions and other flexibilities.** The Parliament introduces a number of additional adjustments and flexibilities compared to the Commission and the Council. These include the consolidation of the exemption for financial holding undertakings, which was already included in the Commission's proposal and which the Parliament now explicitly incorporates into the text, a 24-month transition period to integrate new subsidiaries into due diligence processes, the non-requirement for digital marking until the Commission adopts specific technical standards, and the elimination of the mandatory sectoral standards envisaged by the Commission, replaced by voluntary guidelines. It also incorporates the creation of a single digital portal to facilitate sustainability reporting and access to guidance tools, significantly reducing the complexity of the operational framework.
- **New transposition date for the CS3D.** The Commission had proposed a phased implementation based on company size; the Council replaced this model with a uniform model applicable from July 2029. The Parliament maintains the timetable proposed by the Council, although the modification of the thresholds significantly alters the set of companies that will be subject to the obligations from that date.

Area / Item	Commission (Feb 2025)	Council (Jul 2025)	Parliament (Nov 2025)
CSRD – Scope	>1,000 employees or meeting the financial criteria under the Accounting Directive	>1,000 employees and >€450m	>1,750 employees and >€450m
CS3D – Scope	>5,000 employees and >€1.5bn turnover in the EU	Same as Commission	Replaced with >1,750 employees and >€450m
Risk-based due diligence approach	Broad approach: extensive risk identification, possibility to request information from business partners	Approach limited to the most likely and most severe risks; reduced information requirements	Initial scoping based solely on reasonably available information; no contacting partners unless there are verifiable indications of adverse impacts
Value chain and voluntary standards (ESRS)	No additional information required from entities with <1,000 employees; voluntary standard still to be developed	Maintains the <1,000-employee limit	New threshold <1,750 employees and <€450m; voluntary standards based on Recommendation 2025/4984 and the VSME
Climate transition plans (CS3D)	Mandatory climate transition plans	Requirement softened: voluntary during the first two years	Removed from the directive
Civil liability (CS3D)	No harmonised regime; determined by Member States	Confirms absence of harmonisation	Harmonised ceiling: maximum 5% of global turnover
Exemptions and other flexibilities	No specific exemptions	No additional exemptions introduced	Exemption for financial holding undertakings; 24-month integration period for newly acquired subsidiaries; no digital tagging until technical standards adopted; removal of mandatory sector-specific ESRS
Transposition / Application (CS3D)	Staggered application based on company size	Transposition by 26/07/2028; application from 26/07/2029	Aligned with the Council

3. Next steps

- The text adopted by Parliament will now be negotiated with the Council, with the trilogue scheduled to begin on **November 18, 2025**.

17/10/2025



E ESAs - Work Programme 2026

1. Context

Following the launch of the European Union's (EU) Simplification Agenda in 2024 and the entry into application of the Digital Operational Resilience Act (DORA) in January 2025, the ESAs have further reinforced their role as a platform for cross-sectoral coordination. Throughout 2025, the ESAs focused on advancing supervisory convergence and ensuring consistent implementation of new EU regulatory frameworks, while continuing to monitor risks and vulnerabilities across the financial system amid a context of persistent geopolitical tensions and macroeconomic uncertainty.

In this context, the ESAs have published its **Work Programme for 2026**, setting out the joint priorities and cross-sectoral deliverables for the upcoming year. The programme seeks to strengthen the EU financial system's digital operational resilience, enhance consumer protection and financial innovation, and address emerging cross-sectoral risks, while advancing the simplification and burden-reduction objectives established under the EU Simplification Agenda.

2. Main aspects

The Work Program outlines the following key areas that will guide the committee's joint work during 2026:

- **Supervision under DORA.** In 2026, the ESAs will conduct the first complete oversight cycle under the new DORA framework. Through the Oversight Forum, the joint supervisory body under DORA, they will designate critical information and communication technologies (ICT) third-party providers (CTPPs) to the EU financial sector and assign a Lead Overseer for each, who will coordinate the work of Joint Examination Teams and ensure consistent supervision across the EU. These teams will carry out initial risk assessments and develop individual and multi-annual oversight plans, leading to potential recommendations and follow-ups. The ESAs will also continue to advance the EU Systemic Cyber Incident Coordination Framework (EU-SCICF), strengthening tools and procedures for coordinated responses to systemic cyber events.
- **Consumer Protection and Financial Innovation.** Consumer protection remains a key cross-sectoral priority for 2026, in line with the European Commission's (EC) Savings and Investment Union (SIU) initiative. The committee is expected to develop Regulatory Technical Standards (RTS) on the Packaged Retail and Insurance-based Investment Products (PRIIPs) Key Information Document (KID), subject to the outcome of negotiations on the Retail Investment Strategy. The document also notes that the ESAs will pursue further supervisory convergence and provide annual reporting on administrative sanctions under the PRIIPs Regulation. Additionally, the ESAs will promote financial education, including a dedicated workshop to exchange good practices with national competent authorities.
- **Sustainable Finance and Risk Assessment.** The Committee will continue monitoring the review of the Sustainable Finance Disclosure Regulation (SFDR) and preparing for potential new mandates arising from the legislative process. To align with the simplification agenda, the ESAs will suspend the 2026 annual report on Principal Adverse Impacts (PAIs) required under Article 18 SFDR, which assesses the scope and quality of sustainability disclosures by financial market participants. The ESAs are also expected to issue joint guidelines on ESG stress testing by January 2026, as mandated under the Capital Requirements Directive (CRD) 6 and Solvency II. In parallel, the ESAs will maintain its cross-sectoral risk assessment work, reporting key findings to the EU Economic and Financial Committee (EFC) and the Financial Stability Table (FST) through the annual Joint Report on Risks and Vulnerabilities.
- **Securitisation and Financial Conglomerates.** The Securitisation Committee (JCSC) will follow up on its 2025 report under the Securitisation Regulation (SECR), providing technical advice and promoting supervisory convergence in the application of the framework. The ESAs will also advance their work on financial conglomerates, including the annual update of the list of identified conglomerates, the development of capital adequacy reporting templates, and an analytical note on stress testing practices to address interconnectivity risks across sectors.
- **Innovation and Market Infrastructure (EFIF and ECAIs).** Under the European Forum for Innovation Facilitators (EFIF), the ESAs will continue mapping BigTechs and Mixed Activity Groups (MAGs) providing financial services in the EU and supporting coordination between financial and Artificial Intelligence (AI) regulatory sandboxes required by the AI Act. In addition, they will continue monitoring External Credit Assessment Institutions (ECAIs) by updating credit rating mappings and, where appropriate, developing implementing technical standards (ITS).
- **Other Joint Work and Governance Topics.** The ESAs will jointly organise the thirteenth Joint Consumer Protection Day and contribute to the implementation of the European Single Access Point (ESAP) led by European Securities and Markets Authority (ESMA). Further cooperation will take place on bilateral margining under the European Market Infrastructure Regulation (EMIR) 3. The Committee also plans to complete the fit-and-proper database extension to include legal persons and to conduct a joint assessment on the independence of national competent authorities during 2026.

10/10/2025

E ESMA - Work Programme 2026**1. Context**

In October 2022, the ESMA published its Multi-Annual Strategy for the period 2023-2028 (ESMA Strategy), which sets out three strategic priorities (promoting effective markets and financial stability, strengthening the supervision of financial markets in the European Union (EU), and improving the protection of retail investors) and two thematic drivers (enabling sustainable financing and facilitating technological innovation and the effective use of data).

In this context, **ESMA has published its 2026 Work Program**, with the aim of consolidating the activities undertaken in previous years and preparing for the transition to the European Commission's (EC) new Savings and Investment Strategy (SIS). The program prioritizes the integration and competitiveness of capital markets, regulatory simplification, and the strengthening of the supervisory framework and ESMA's direct mandates.

2. Main aspects

ESMA's Work Program for 2025 is structured around five key priorities, although technological innovation is no longer included as a separate priority, but is integrated alongside the effective use of data:

- **Efficient markets and financial stability.** This priority aims to strengthen the integration and resilience of EU capital markets in line with the SIU. In 2026, ESMA will work on rules derived from the revision of the European Market Infrastructure Regulation (EMIR) 3, the Central Securities Depository Regulation (CSDR), the Alternative Investment Fund Managers Directive (AIFMD) and the Undertakings for Collective Investment in Transferable Securities (UCITS) Directives, and the Listing Act to simplify and harmonize the framework. At the same time, it will continue to monitor risks through trend, risk, and vulnerability (TRV) reports, coordinate systemic supervision through the Single Supervisory Mechanism (SSM), and assess the solvency of central counterparties (CCPs) through stress tests.
- **Effective supervision.** The priority of effective supervision seeks to reinforce a common supervisory culture based on risk and the use of data. In 2026, ESMA will ensure the full implementation of the Digital Operational Resilience Act (DORA) and take on new mandates on consolidated tape providers (CTPs), external reviewers of European green bonds, and providers of environmental, social, and governance (ESG) ratings. In addition, it will promote convergence among national authorities through the Uniform Supervisory Standards (USSPs) on digital resilience and ESG disclosures, and will assess its independence together with the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA). Key outputs include the report on sanctions and administrative measures and the joint report on supervisory independence.
- **Retail investor protection.** The retail investor protection priority aims to strengthen supervisory convergence and ensure an effective protection framework for small investors in EU capital markets. In 2026, ESMA will work on developing technical standards and advising the EC under the Retail Investment Strategy (RIS), addressing issues such as disclosures, costs, fees, and benchmarks. In addition, it will continue to monitor the risks arising from digitalization and the use of alternative distribution channels—such as social media marketing or artificial intelligence (AI) generated recommendations—and will coordinate joint supervisory exercises to detect malpractice. It will also promote financial education together with the EBA and EIOPA to strengthen retail investor confidence and facilitate their informed participation in the markets.
- **Sustainable finance.** This priority seeks to strengthen the consistency and effectiveness of the regulatory framework on sustainability, reducing unnecessary burdens on market participants and improving the quality of ESG disclosures. In 2026, ESMA will focus its work on climate transition finance, developing thematic notes on transition finance and sustainability claims, and will support national competent authorities (NCAs) in supervising greenwashing risks. It will also continue to promote international cooperation with bodies such as the International Organization of Securities Commissions (IOSCO), the Financial Stability Board (FSB), the International Sustainability Standards Board (ISSB), and the Network for Greening the Financial System (NGFS), as well as promoting the exchange of best practices in the application of guidelines on fund naming and the verification of sustainability information.
- **Effective use of data and technological innovation.** The aim is to consolidate ESMA as a European data hub and improve the quality and accessibility of financial information. In 2026, it will advance its 2023-2028 Data Strategy, reducing reporting burdens by integrating the Markets in Financial Instruments Regulation (MiFIR), EMIR, and the Securities Financing Transactions Regulation (SFTFTR). It will publish reports on transactional reporting and AIFMD/UCITS funds and promote ESMA's data platform and the European Single Access Point (ESAP). In innovation, it will promote the use of decentralized finance (DeFi), supervisory technology (SupTech), regulatory technology (RegTech), and artificial intelligence (AI), and will cooperate with the International Organization for Standardization (ISO) and the Global Identifiers Oversight Committee (ROC) to harmonize data standards.

22/10/2025



R SRB - New operational communication guidelines for banks

1. Context

Since the creation of the European Banking Union, the Single Resolution Mechanism (SRM) has been established as the central tool for managing unviable banks in an orderly manner, protecting financial stability and avoiding costs for taxpayers. To ensure the proper application of this mechanism, the SRB was created to supervise the most significant banking institutions and ensure that they have adequate resolution plans in place, including solvency, liquidity, and communication preparedness measures.

In this context, the SRB has published a **public consultation on its new operational communication guidelines for banks**, which includes the operational **Guide on communication for banks** and the **communication Supplement to the operational Guide on resolvability testing for banks**. The aim is to establish a common framework that will enable institutions to develop clear and coordinated communication plans, test resolution scenarios, and improve their preparedness for potential financial crises.

2. Main aspects

Specifically, the SRB proposes requiring banks to have:

- **Communication plans for resolution.** Institutions must have detailed communication strategies for scenarios of non-viability, covering all phases (before, during, and after resolution). These plans must identify key audiences, define specific messages, dissemination channels, and internal managers to ensure speed and consistency. In addition, they must include the necessary infrastructure and resources, mechanisms to manage market perception, and strategies to address obstacles or misinformation, ensuring flexibility in the face of unforeseen situations.
- **Governance and coordination with authorities.** The need to align banks' communication with that of the SRB and national resolution authorities is reinforced. Banks must define clear roles and responsibilities, protect sensitive information, and ensure consistency with other operational resolution documents. This seeks to avoid conflicting messages, reduce market uncertainty, and maintain the confidence of depositors and investors.
- **Communication in resolvability tests: Communication Supplement to the operational Guide on resolvability tests.** The supplement to the operational Guide on resolvability testing for banks introduces specific expectations on how banks should test their communication plans in practical exercises. Three key areas are established: i) preparation of communication infrastructure and equipment; ii) adaptation of the plan to different crisis scenarios and iii) execution and monitoring of the exercises. Banks must document evidence in the Evidence Book.

3. Next steps

- The public consultation will remain open until **December 12, 2025**.

16/12/2025



R SRB - Modernised expectations on EoVC in the event of a crisis

1. Context

In 2019, the SRB published its valuation framework, providing independent valuers and the market with a clear reference on its expectations regarding the principles and methodologies applicable to valuations 2 and 3 in the resolution context. Subsequently, in 2020, it published its standardized valuation dataset (VDS 2020), which set out granular information requirements (at data-attribute level) to enable valuations in resolution, with a focus on the availability and traceability of asset and liability data. On this basis, in April 2025, the SRB launched a public consultation to update its framework of expectations on valuation capabilities in crisis situations, with the aim of simplifying and making the approach more operational.

In this context, the SRB has published the final version of the **Modernised Expectations on Valuation Capabilities (EoVC) for banks in the event of crisis**, with the objective of ensuring that, on a permanent basis, a minimum dataset is available to support valuations in resolution and to reduce the risk of insufficient information for independent valuers to calibrate their models.

2. Main aspects

This publication sets out the key elements of the SRB's final framework and summarizes the main changes introduced following the public consultation compared with the version submitted for consultation:

- **Updated framework of expectations on valuation capabilities.** A renewed framework of expectations applicable to entities within the SRB's remit is defined, replacing the guidance published in 2020. The framework consolidates and expands existing requirements, clarifies which information must be available to enable timely and reliable valuations in resolution, and aligns these expectations with the crisis preparedness strategy of the Single Resolution Mechanism.
- **Valuation Data Index (VDI).** A structured index is introduced identifying the minimum set of information that must be made available to independent valuers. This index covers both structured data and key documentation, enabling a comprehensive view of the entity's financial position and supporting consistent valuations of assets, liabilities and business models in crisis scenarios.
- **Revision and simplification of the Valuation Dataset (VDS).** The new dataset enhances the VDS 2020 by reducing less relevant attributes, eliminating duplications and aligning requirements with existing European Union (EU) regulatory standards. In addition, coverage is expanded to certain asset types and specific portfolios, while maintaining a proportionate approach reflecting each entity's size, complexity and risk profile.
- **Data Repository for Resolution (DRR).** An expectation is established for entities to maintain a permanent repository centralising information relevant for resolution. The final framework removes the requirement for continuous access to this repository, while maintaining the obligation to make the data available to the resolution authority and the independent valuer within a short timeframe when required.
- **Valuation playbooks and governance.** Entities are expected to have internal playbooks documenting valuation processes in crisis situations, including methodologies, potential use of internal capabilities, data quality controls and governance arrangements. This strengthens organizational clarity and operational readiness to respond effectively in situations of failure.

3. Next steps

- **Progressive implementation is expected by the end of 2029;** during the transition period, entities must maintain the capabilities to produce the VDS 2020.
- The EoVC are not legally binding and do not replace applicable legislation; the SRB may review or amend these expectations and, in specific situations and in line with the legal framework, apply them with flexibility on a case-by-case basis.

Relevant Publications

Spain

10/12/2025

T AESIA - Guidelines on the application of the Artificial Intelligence (AI) Regulation



1. Context

In recent years, the European Union (EU) has promoted the development of a specific regulatory framework for artificial intelligence, culminating in the adoption of Regulation 2024/1689 on AI (AI Act), which establishes a risk-based approach and introduces new obligations across the entire lifecycle of AI systems. In parallel, Spain has been adapting its institutional framework to facilitate its implementation, strengthening national supervisory and support capabilities for economic operators through the establishment of AESIA.

In this context, AESIA has published a set of non-binding **technical and practical guidelines on the application of the AI Regulation**, in particular for high-risk AI systems, aimed at facilitating the understanding of regulatory requirements and supporting providers, deployment managers, and users in adapting their systems, processes and control mechanisms to the obligations laid down in the Regulation.

2. Main aspects

In total, AESIA has published 15 guidelines and 1 manual:

- **Guideline 1. Introduction to the AI Regulation.** Provides an overview of the Regulation, its structure, the risk-based approach and the main obligations applicable depending on the type of AI system and the role of the different operators.
- **Guideline 2. Practical guide and examples to understand the AI Regulation.** Includes practical cases and illustrative examples to facilitate the interpretation and application of the Regulation's requirements in real-life situations.
- **Guideline 3. Conformity assessment.** Sets out the procedures and steps required to verify that AI systems comply with the Regulation's requirements prior to being placed on the market or put into service.
- **Guideline 4. Quality management system.** Details the elements that must be included in the quality management systems required for providers of AI systems, in particular for high-risk AI systems.
- **Guideline 5. Risk management system.** Addresses the obligations relating to the identification, analysis, mitigation, and continuous review of risks associated with AI systems throughout their lifecycle.
- **Guideline 6. Human oversight.** Explains the requirements to ensure effective human oversight during the operation of AI systems.
- **Guideline 7. Data and data governance.** Develops the requirements relating to the quality, representativeness, governance and management of data used in AI systems.
- **Guideline 8. Transparency and provision of information to users.** Describes the information and transparency obligations towards users and other stakeholders, depending on the type of AI system.
- **Guideline 9. Accuracy.** Details the requirements related to the accuracy and performance of AI systems.
- **Guideline 10. Robustness.** Focuses on the resilience and robustness of AI systems against errors, failures or attempts at manipulation.
- **Guideline 11. Cybersecurity.** Establishes the obligations to protect AI systems against cybersecurity threats and vulnerabilities.
- **Guideline 12. Record-keeping and automatically generated logs.** Develops the traceability and record-keeping requirements set out in the AI Regulation.
- **Guideline 13. Post-market monitoring plan.** Describes the mechanisms for the continuous monitoring of AI systems once they have been placed on the market or put into service.
- **Guideline 14. Reporting of serious incidents.** Sets out the procedures for the detection, documentation and reporting of serious incidents related to AI systems.
- **Guideline 15. Technical documentation.** Details the minimum content and structure of the technical documentation required under the Regulation.
- **Checklist manual for requirements guidelines.** Provides a practical verification tool to enable a structured assessment of compliance with the requirements of the AI Regulation.

3. Next steps

- The documents are subject to an ongoing process of assessment and review, with periodic updates in line with the development of standards and the various guidelines issued by the European Commission (EC) and could be updated based on developments in standards and the Digital Omnibus proposal (pending adoption).

26/12/2025



G BOE - Law 10/2025 of 26 December, regulating customer service (LSAC)

1. Context

Customer service has become, in recent years, a central element of consumer and user protection and a relevant factor in the quality of the provision of goods and services. The general consumer protection framework already required companies to put in place effective mechanisms for the submission and handling of enquiries, complaints and claims, ensuring proper record-keeping of communications and the provision of direct personal assistance, particularly in sectors of significant economic and social relevance. However, administrative experience and supervisory practice have revealed significant disparities in the quality levels of these services, as well as recurring shortcomings that have resulted in a high volume of complaints and reduced effectiveness in the early resolution of consumer disputes.

In this context, BOE has published **Law 10/2025 of 26 December, regulating customer service (LSAC)**, with the aim of establishing minimum quality standards and a mandatory evaluation framework applicable to certain companies, strengthening consumer protection and improving market efficiency in the early resolution of consumer disputes.

2. Main aspects

Law 10/2025 sets out the following key elements:

- **Scope of application.** The Law applies to companies operating in Spain that provide essential services of general interest, including water, gas and electricity supply and distribution, passenger transport, postal services, electronic communications and financial services. In the financial and telecommunications sectors, the applicable sector-specific legislation prevails, with this Law applying on a supplementary basis. It also applies to large companies selling goods or providing services to consumers in Spain where, in the previous financial year, they meet at least one of the following thresholds: 250 employees, €50 million in turnover or €43 million in balance sheet total, including corporate groups within the meaning of Article 42 of the Spanish Commercial Code. The Law applies irrespective of the communication channel used, the outsourcing of the service or the location of the customer contact point.
- **Core obligations of customer service.** Companies must have a customer service function that is free of charge, effective, universally accessible, inclusive, non-discriminatory and subject to evaluation, ensuring the proper recording, tracking and resolution of enquiries, complaints, claims and incidents. The exclusive use of automated answering systems or similar tools is prohibited, and, at the customer's request, personalised assistance by an identified operator must be provided. The Law sets out specific quality parameters, including the effective handling of 95% of calls within an average time of less than three minutes, maximum resolution deadlines of 15 business days with shorter deadlines for critical cases, the provision of a reference number and a receipt on a durable medium, and restrictions on the suspension of services under continuous-performance contracts while a complaint remains pending an express and reasoned decision.
- **Accessibility, treatment of vulnerable persons and universal design.** Customer service must be designed in accordance with the principles of universal accessibility, equal treatment and non-discrimination, incorporating specific measures for vulnerable consumers, particularly persons with disabilities and elderly persons. In face-to-face services, individualised support and assistance must be provided where necessary, while telephone services must ensure priority handling for these groups and enable alternative channels such as instant messaging or sign language video interpretation systems, in order to ensure effective and needs-based customer service.
- **Pre-contractual and contractual information on customer service.** Before a consumer becomes bound by a contract or commercial offer, the company must provide clear and accessible information on the available customer service channels, the mechanisms for recording and tracking enquiries and complaints, the applicable maximum resolution timeframes, alternative dispute resolution mechanisms and service opening hours. This information will form an integral part of the contract and must, in all cases, be made available on the company's website and included in the invoices issued in connection with the contract.
- **Amendments to the General Law for the Protection of Consumers and Users.** The Law introduces amendments to Article 20 of the consolidated text of the General Law for the Protection of Consumers and Users to enhance price transparency and the reliability of consumer reviews. In particular, companies are required to ensure that published reviews originate from consumers who have actually purchased or used the relevant good or service, and to provide clear information on the methods used to verify and process such reviews. Reviews must also relate to goods or services purchased or used within the thirty (30) calendar days prior to publication, and companies are entitled to remove reviews that are false or

misleading once their lack of authenticity has been duly established. The sanctioning framework is further strengthened where these breaches affect consumers in vulnerable situations.

3. Next steps

- The Law entered into force on the day following its publication in the BOE, **28 December 2025**.
- A **12-month transitional period** is established for companies to adapt their customer service arrangements to the new requirements set out in the Law.

31/12/2025

CL BdE - Circular 1/2025, amending Circular 4/2017 and Circular 1/2013

BANCO DE ESPAÑA
Eurosistema

1. Context

The BdE establishes the financial reporting framework applicable to credit institutions through Circular 4/2017, which incorporates the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) as the basis for the recognition, measurement, presentation and disclosure of accounting information. This framework is periodically updated to reflect amendments introduced to EU-IFRS, in particular in relation to financial instruments (EU-IFRS 9 and EU-IFRS 7), accounting estimates (EU-IAS 8) and taxation (EU-IAS 12).

In this context, the BdE has published **Circular 1/2025, amending Circular 4/2017 and Circular 1/2013**, with the aim of maintaining the alignment of the accounting framework applicable to credit institutions with the most recent changes to EU-IFRS, revising the criteria applicable to the coverage of credit risk by reason of country risk, and advancing the rationalisation of confidential financial statements by progressively replacing certain aggregated reports with granular information drawn from the CIR.

2. Main aspects

Circular 1/2025 incorporates amendments introduced primarily in EU-IFRS 9 on financial instruments, as well as amendments introduced in EU-IFRS 1, 7 and EU-IAS 8 and 12. First, among the changes derived from EU-IFRS 9, the following are noteworthy:

- Classification and measurement of financial assets with contingent cash flows. Previously, the existence of contractual conditions that modified cash flows depending on contingent events not directly related to the basic costs and risks of a lending arrangement could prevent certain financial assets from being classified at amortised cost or at fair value through other comprehensive income. Under the amendment, such assets may be classified in those categories provided that, in all contractually possible scenarios, the contractual cash flows do not differ significantly from those of an equivalent loan without the contingent condition.
- Contracts referenced to electricity generated from natural sources. Until now, these contracts were assessed under the general criteria applicable to contracts on non-financial items, without specific guidance. The Circular introduces an explicit definition and establishes specific criteria to determine when they may be considered contracts held for own use, also allowing their designation as hedging instruments and expanding the disclosure requirements in the notes to the financial statements.
- Derecognition of financial liabilities in electronic payment transactions. Previously, the derecognition of a financial liability generally occurred on the settlement date. The Circular now allows, subject to certain conditions, derecognition to take place on the date on which the payment order is initiated, where payment is made in cash through electronic payment systems and settlement risk is insignificant.
- Tranche structures and project finance. The Circular clarifies and further develops criteria that were previously less detailed for determining when the contractual cash flows of instruments issued in multi-tranche structures (such as securitisations) or of loans linked to specific projects may be regarded as consistent with payments of principal and interest, thereby reducing uncertainty in their accounting classification.

Secondly, among the amendments derived from EU-IFRS 1, 7 and EU-IAS 8 and 12, the following stand out:

- EU-IFRS 1. Presentation of financial statements. Previously, Circular 4/2017 did not explicitly specify the scope of the summary of accounting policies to be included in the notes. The Circular strengthens this requirement, mandating that the notes include a concise and clear summary of significant accounting policies, including the measurement bases applied, insofar as they are relevant to the understanding of the financial statements.
- EU-IFRS 7. Financial instruments: disclosures. The previous framework established more limited disclosure requirements for certain instruments and exposures. The Circular expands the disclosures required in the notes, including information on financial assets with contingent cash flows, investments in equity instruments measured at fair value through other comprehensive income, and contracts referenced to electricity generated from natural sources, thereby enhancing transparency regarding their impact on profit or loss and cash flows. Additionally, the Circular introduces new disclosure requirements in the notes to the financial statements regarding credit obtained through supplier financing programmes granted by other institutions, including information on amounts, maturities and comparability with trade payables not included in such programmes.

- EU-IAS 8. Accounting policies, changes in accounting estimates and errors. Until now, Circular 4/2017 did not include an explicit definition of accounting estimates nor clearly distinguish when a change should be treated as a change in estimate or as the correction of an error. The Circular incorporates the definition of accounting estimates and clarifies that changes in valuation techniques, estimation methodologies or inputs are to be treated as changes in accounting estimates, unless they result from errors in prior periods.
- EU-IAS 12. Income taxes. Previously, the Circular did not provide specific treatment for deferred tax assets and liabilities arising from the global minimum tax. The Circular introduces a mandatory exception to the recognition of deferred tax assets and liabilities related to the top-up tax designed to ensure a global minimum level of taxation, aligning the accounting framework for credit institutions with the amendments to EU-IAS 12 and with the General Accounting Plan.

In addition, among the amendments introduced to Circular 1/2013, the following should be noted:

- Replacement of confidential statements with granular information. Until now, certain key information on credit risk coverage and foreclosed assets was reported to the BdE through aggregated confidential financial statements. The Circular initiates a process to replace these statements with granular information drawn from the CIR, strengthening data consistency and reuse.
- Update of derivatives reporting templates and increase in reporting thresholds. The Circular updates the FI 105 and FI 136 templates relating to derivatives transactions and significantly increases the reporting threshold for the FI 136 template, from EUR 10 million to EUR 500 million, thereby reducing the number of institutions required to submit this report.
- New dimensions in CIR reporting. The previous CIR framework did not include certain dimensions required to replace aggregated statements. The Circular introduces new variables, such as the amount of exposure not covered by real collateral after haircuts, as well as new values related to the impairment assessment method, to support the new coverage and classification requirements.
- Consistency between CIR data and confidential financial reporting. The amendments enhance coordination between the granular information reported to the CIR and confidential financial statements, addressing existing misalignments and laying the groundwork for a progressive reduction in duplicated reporting burdens.

Finally, the Circular revises the coverage of credit risk by reason of country risk:

- Update of country risk and geopolitical risk coverage criteria. Previously, Circular 4/2017 established country risk classification and coverage criteria based on predefined groupings, following a relatively standardised approach. The Circular revises Annex 9 to allow internal methodologies to reflect the actual economic risk of international exposures more accurately, recognising the growing overlap between country risk and geopolitical risk. This approach reduces the need to apply predefined groupings and parallel methodologies, while maintaining alternative solutions for institutions that do not use internal models.

3. Next steps

- With regard to the application of EU-IFRS 9 accounting changes, the amendments relating to electricity-referenced contracts, classification and measurement of financial assets, derecognition of liabilities at the payment order date and initial recognition of receivables will apply from **1 January 2026**, with transitional provisions allowing comparative information not to be restated.
- Changes to confidential financial statements will apply for the first time with reference to **31 March 2026** for monthly and quarterly statements, **30 June 2026** for semi-annual statements and **31 December 2026** for annual statements.
- Amendments relating to the coverage of credit risk by reason of country risk will apply with **30 June 2026** as the first reference date.

Relevant Publications

UK

09/12/2025

C FCA - Policy statement 25/21: Simplifying the insurance rules



1. Context

Since 2024, the FCA has progressively advanced a programme to simplify and modernise the UK insurance conduct and product governance framework. During this period, the UK reinforced its position as a global hub for commercial insurance, while the FCA committed to streamlining rules to support growth, innovation and international competitiveness. This agenda was formalised through the FCA's January 2025 letter to the Prime Minister, where it pledged to reduce conduct requirements for wholesale insurance, followed by subsequent initiatives, including Feedback Statement (FS) 25/2 and Consultation Paper (CP) 25/12, focused on removing unnecessary or duplicative rules, clarifying customer classifications, and updating governance and disclosure obligations.

In this context, the FCA has published **Policy Statement (PS) 25/21: Simplifying the insurance rules**, which sets out the final rules following consultation CP25/12, introduces targeted amendments to the FCA's insurance conduct rules (ICOBS) and its product governance framework (PROD), and outlines further areas for simplification in 2026. The objective of this publication is to modernise the regulatory framework, increase proportionality for commercial insurance, enhance flexibility for firms in product governance and training obligations, and remove outdated or duplicative requirements while maintaining appropriate levels of consumer protection.

2. Main aspects

This PS 25/21 confirms the following key changes:

- **Determining which rules apply to commercial insurance.** Previously, the FCA relied on the concept of large risks to determine when conduct rules did not apply, a framework that exempted certain specialist classes (aviation, marine, goods in transit, credit and suretyship) and large commercial policyholders who exceeded specific financial and employee thresholds. This approach often created uncertainty, especially in policies with multiple policyholders of different sizes. The FCA now introduces two clearer categories which simplify customer classification, align thresholds with the dispute resolution (DISP) eligible complainant definition, and ensure that protections remain focused on consumers and smaller commercial clients: i) larger commercial customers; and ii) the specialist risks contracts. The reform aims to remove ambiguity, promote proportionality, and give firms a more stable framework for assessing which conduct rules apply.
- **Allowing a lead firm to take responsibility for product governance.** In CP25/12, the FCA noted that the existing framework made all co-manufacturers jointly responsible for the Product Intervention and Product Governance Sourcebook (PROD) 4, which often led to unclear accountability and unnecessary duplication. In PS25/21, the FCA introduces a new option to appoint a single lead firm, limited to insurers or managing agents, to assume sole responsibility for PROD 4 compliance, including liability for redress, while non-lead firms must cooperate and share necessary information. The FCA created this mechanism to streamline governance, reduce unnecessary burdens and provide clearer accountability, while preventing potential customer harm by excluding intermediaries from acting as lead firms due to concerns around oversight and access to claims data.
- **Broadening and clarifying the bespoke contracts exclusion.** The FCA expands the tailor-made contracts exclusion so that both insurers and intermediaries can classify genuinely bespoke non-investment insurance contracts as outside the PROD requirements. This includes clarifying that the contract must be created specifically for a customer's unique needs and not marketed more broadly. Previously, this exclusion applied only to intermediaries, which created inconsistency and uncertainty in determining when a bespoke contract was truly out of scope.
- **Allowing firms to determine the frequency of product reviews.** The previous requirement for mandatory 12-month review cycle has been removed. Firms must now determine the frequency of product reviews based on the product's potential for customer harm, supported by a documented rationale and information sharing within the distribution chain when requested. This gives manufacturers and distributors greater flexibility to tailor review intervals to the product's risk profile.
- **Removing notification and reporting requirements for employers' liability.** The FCA removes the former employers' liability notification and annual reporting requirements from the Supervision Manual (SUP) and consolidates the streamlined obligations within ICOBS 8, while maintaining the need for firms to obtain a director's certificate and an auditor's report by 31 August each year. This revision simplifies reporting processes and aligns all employers' liability-related compliance within a single section of the

Handbook. Before this change, firms were required to notify the FCA separately and submit annual reports under SUP, creating duplicated obligations and operational complexity.

- **Removing the mandatory minimum of 15 Continuing Professional Development (CPD) hours for staff.** Under the previous framework, firms had to evidence a fixed minimum of 15 hours of CPD per year for staff involved in insurance distribution, a rigid threshold that did not always reflect the diversity of roles across the sector. The FCA removes this prescribed minimum and gives firms flexibility to set training expectations under the Senior Management Arrangements, Systems and Controls sourcebook (SYSC), allowing CPD requirements to be tailored to the competencies and responsibilities of each role. CPD remains mandatory, but firms may determine the appropriate level and format, while professional body standards such as the Chartered Insurance Institute's (CII) 35-hour requirement continue to apply independently.

3. Next steps

- Consultation on disapplying the Consumer Duty to non-UK business by the end of **Q2 2026**, including review of the international scope of ICOBS and PROD.
- Review of core definitions in 2026, to enhance consistency and clarity across the FCA Handbook.
- Assessment of data submitted by firms between January and March 2026, with potential further reporting simplifications to be consulted on during 2026, particularly in relation to general insurance pricing returns.

16/12/2025

T FCA - Consultations on cryptoasset regulation in UK



1. Context

The rapid development of crypto-asset markets and their growing interconnection with the traditional financial system have highlighted the need to establish coherent regulatory frameworks that strengthen consumer protection, market integrity and the resilience of entities, while promoting innovation. In the United Kingdom, this approach is part of a broader strategy to create a comprehensive regulatory regime for crypto-assets, aligned with international standards and with a clear risk-based approach.

In this context, the FCA has published **three public consultations** which, together, form the main pillars of the **regulatory framework for crypto-assets in the United Kingdom**. The proposals cover the regulation of market activities, admission and disclosure regimes, and market abuse, as well as a specific prudential regime for entities in the sector, with the aim of raising market standards, strengthening participant confidence and ensuring a level playing field.

2. Main aspects

The published consultations develop the various components of the new regulatory framework for cryptoassets in the United Kingdom, structured around the following areas:

- **Regulatory framework for cryptoasset-related activities (CP25/40).** This document introduces a structured regulatory framework for cryptoasset activities in the United Kingdom, defining the scope of activities subject to authorisation and supervision. It establishes specific requirements for cryptoasset trading platforms, including rules on organisation, operation and reporting obligations, as well as rules of conduct applicable to intermediaries providing cryptoasset-related services. It also incorporates transparency obligations towards the market and customers and specific protection provisions for retail customers, significantly expanding the level of regulatory requirements applicable to the sector. The aim is to introduce a coherent set of common minimum standards that improve market transparency and proper functioning, strengthen consumer protection and enable innovation to develop within a regulated environment.
- **Admission, disclosure and market abuse regime for crypto-assets (CP25/41).** The admission and disclosure regime applicable to the public offering of crypto-assets and their admission to trading is developed, together with a specific market abuse regime for crypto-assets. The proposals on disclosure seek to improve the quality, consistency and accessibility of the information available to market participants, covering the characteristics, risks and rights associated with crypto-assets. In addition, the market abuse regime introduces prohibitions and obligations aimed at preventing and detecting conduct such as insider trading or market manipulation, thereby strengthening the integrity of cryptoasset markets.
- **Prudential regime for cryptoasset entities (CP25/42).** The introduction of a specific prudential regime for all crypto-asset entities that must be authorised is proposed. The measures include minimum capital requirements, risk management expectations and public disclosure obligations for prudential information, with the aim of strengthening the financial resilience of entities and mitigating risks for both consumers and the financial system as a whole. The regime extends the regulatory perimeter to new activities and constitutes a fundamental pillar of the prudential framework applicable to the sector.

3. Next steps

- The three public consultations will remain open for comments until **12 February 2026**.
- Following analysis of the responses received, the FCA plans to publish the final rules and guidance in the course of **2026**.
- Entities operating or planning to operate with cryptoassets in the United Kingdom should anticipate the impact of these proposals on their business models, governance structures, prudential frameworks and disclosure obligations, with a view to the future implementation of the new regulatory regime.

13/11/2025

S FRC - ISSA (UK) 500 General Requirements for Sustainability Assurance Engagements



1. Context

For several years, the FRC has acted as the regulatory body and standard-setter in the UK for auditing, assurance, and governance. In a context of growing demand for reliable sustainability information from investors and other stakeholders, the FRC has been promoting frameworks and guidance to improve the quality of reporting and assurance of non-financial information. For example, in March 2024, the FRC launched an initial market study on the UK sustainability assurance market.

In this context, the FRC has published **the International Standard on Sustainability Assurance (ISSA) 5000 (UK) on general requirements for sustainability assurance engagements**. This is a national standard aligned with the International Auditing and Assurance Standards Board (IAASB) and referencing the international sustainability standards developed by the International Sustainability Standards Board (ISSB). Its objective is to strengthen consistency, confidence, and transparency in sustainability assurance work in the UK.

2. Main aspects

The most relevant points of the new standard, affecting sustainability assurance engagements, are:

- **Users of the standard.** It is designed to be applicable to any assurance provider, including financial auditors and other qualified professionals. It helps standardize professional practice, ensuring that all providers follow similar criteria when assessing sustainability information. In addition, it promotes broad and consistent adoption of the standard across different sectors and types of entities, enhancing the comparability and reliability of reported information.
- **Principles and quality requirements.** It incorporates principles equivalent to those in auditing: i) independence; ii) professional judgment; iii) obtaining sufficient evidence; and iv) full documentation. The standard establishes specific procedures for quality control, including planning, supervision, review, and documentation of the work performed. It emphasizes obtaining appropriate evidence regarding sustainability assertions, ensuring that reports are reliable and verifiable for investors and other users.
- **Adaptations to other FRC standards.** It includes amendments to other FRC assurance standards, ensuring that sustainability engagements are integrated coherently with the existing regulation on auditing and financial assurance. This facilitates regulatory and methodological consistency, reducing potential conflicts or duplication across different regulatory frameworks.

3. Next steps

- It will apply to sustainability assurance engagements covering periods starting on or after **15 December 2026**.
- The standard can be adopted voluntarily from its publication date.

03/12/2025

S PRA - Policy statement 25/25 updating supervisory statement 3/19**1. Context**

The PRA has progressively strengthened its supervisory framework for financial risks arising from climate change. The first step was the publication of SS 3/19, applicable since 2020, which set out the initial expectations on governance, integration of climate risk into risk management frameworks, the use of scenario analysis, and disclosures. This was subsequently complemented by the Climate Biennial Exploratory Scenario (CBES), a biennial exploratory exercise conducted by the Bank of England (BoE) assessing how banks and insurers would respond to various climate-related risk scenarios. It was followed by supervisory letters and thematic reviews, which showed uneven progress across firms. In addition, in 2024, the PRA launched a public consultation to update and strengthen these expectations, receiving comments from banks, insurers, industry associations and other stakeholders. Many of them requested greater methodological clarity, proportionality in data requirements, and more explicit guidance on what constitutes adequate integration of climate risk into prudential frameworks.

In this context, the PRA has published **PS 25/25, which updates SS 3/19 by enhancing banks' and insurers' approaches to managing climate-related risks**. With this, the PRA formally closes the public consultation and incorporates adjustments derived from the responses received, with the aim of updating and clarifying how physical and transition risks should be identified, measured, managed and mitigated. The PS also strengthens supervisory expectations on governance, methodologies, data requirements and the internal use of scenarios, providing a more consistent framework for banks and insurers.

2. Main aspects

PS 25/25 introduces a number of changes compared with SS 3/19:

- **More developed proportional application and guidance on how to determine it.** PS 25/25 introduces a more explicit proportionality framework, including a new section of overarching objectives that clarifies how the intensity of expectations should be calibrated according to a firm's material climate-risk exposure and business complexity. This level of detail did not appear in SS 3/19.
- **Use of existing governance structures permitted.** The PRA clarifies that firms may integrate climate-related responsibilities within their existing governance frameworks, provided risk management remains robust. It also confirms that there is no requirement to create a new Senior Management Function specifically for climate, correcting interpretations not intended in SS 3/19.
- **More flexible treatment of risk registers and risk appetite.** PS 25/25 clarifies that climate-related risks may be incorporated into existing risk registers or sub-registers, and that the level of granularity in identifying combinations of transmission channels and risk types is a matter of judgement. It also confirms that the accept, manage, avoid categorisation is a suggestion rather than a prescribed format, introducing greater flexibility than in SS 3/19.
- **Recognition of litigation risk as a potentially independent transmission channel.** The PRA acknowledges that climate-related litigation may materialise independently and allows firms to treat it as a distinct transmission channel where appropriate. SS 3/19 subsumed this risk under physical or transition risks, so this represents a meaningful evolution.
- **Expanded expectations for climate scenario analysis.** PS 25/25 provides greater clarity on the design, selection and use of scenarios, allowing a mix of narrative-based and mathematically sophisticated approaches depending on exposure. It also introduces flexibility regarding the number of scenarios per use case and clarifies the applicability of reverse stress testing and sensitivity analysis, representing a significant expansion relative to SS 3/19.
- **Strengthened proportionality principles and time-horizon criteria for scenario analysis.** The PS clarifies that scenarios should be tailored to risk materiality and that time horizons may combine short-term impacts with longer-term pathways. It also makes explicit that long-term strategic analysis may rely more on narrative scenarios than on precise quantification, an orientation not previously included.
- **Updated approach to data management, uncertainty and proxies.** PS 25/25 replaces the former expectation to quantify data uncertainty with an expectation to understand it and clarifies that firms are not required to use conservative proxies but rather appropriate ones, while being aware of their limitations. This adjustment reduces prescriptiveness and reflects a significant evolution from SS 3/19.
- **Strengthened expectations for engagement with clients, counterparties and data providers.** The PRA confirms that third-party data providers may be used but requires that material data gaps be addressed through alternative approaches such as proxies, approximations or, where relevant, direct engagement. This level of practical guidance was not detailed in SS 3/19.
- **Clarifications on operational resilience in the context of climate risks.** The PS refines the language to avoid interpretations implying expectations of absolute disruption prevention. It clarifies that firms are expected to manage risks affecting operational resilience but not necessarily remain within impact tolerances under extreme or implausible scenarios.

- **Banking-specific updates: integration into ICAAP and ILAAP.** The PRA clarifies that climate scenario horizons in ICAAP and ILAAP may be aligned with standard processes, complemented by longer-term scenarios for strategic purposes. It also details how firms should evidence the materiality or immateriality of climate risks in these processes, going beyond the guidance included in SS 3/19.
- **Insurance-specific updates: Solvency Capital Requirement (SCR), internal models and the regulatory balance sheet.** PS 25/25 clarifies that the SCR already allows climate risks to be incorporated without creating new capital categories, and specifies how they may act as risk drivers within internal models. It also clarifies the treatment of internal ratings and adjustments to the Fundamental Spread when climate risks are not adequately reflected, as well as how to consider market prices that may understate climate-related risks.

3. Next steps

- PS 25/25 entered into force on **3 December 2025**. During the following six months, firms must conduct a self-assessment of their level of compliance, identify gaps and develop a credible plan to address them, with the PRA not requiring evidence until this period concludes.

Relevant Publications

USA

20/10/2025

S FDIC - Rescission of Principles for Climate-Related Financial Risk Management



1. Context

working together to define common principles for managing climate-related financial risk in large institutions. These principles, finally published in October 2023, established supervisory expectations for banks with assets exceeding US\$100 billion, focusing on the integration of climate risks into governance, risk management, and planning processes.

In this context, the three agencies—OCC, Fed, and FDIC—have announced the **rescission of the interagency guidance on principles for managing climate-related financial risks for large financial institutions**. The stated goal is to prevent these guidelines from diverting attention away from other material risks already covered by existing prudential management frameworks.

2. Main aspects

The joint decision by the agencies includes the following key elements:

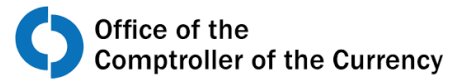
- **Scope of application of the withdrawn principles.** The principles were aimed at financial institutions with more than \$100 billion in consolidated assets, including national banks, federal savings associations, and systemically important entities supervised by the Fed.
- **Reason for withdrawal.** The agencies believe that existing prudential standards already require all institutions to have effective risk management processes commensurate with their size and complexity. Consequently, they conclude that it is not necessary to maintain specific guidance on climate risks, as this could distract from the management of other relevant risks covered by existing regulations.
- **No new obligations or prohibitions are created.** The withdrawal does not prevent entities from considering climate risks in their internal frameworks, nor does it introduce new requirements. It simply eliminates the 2023 interagency guidance, without creating additional rights or obligations.

3. Next steps

- The termination takes effect from the date of its publication in the Federal Register.

25/11/2025

S OCC - Final rule amending eSLR and related regulatory capital standards



1. Context

Since the adoption of Basel III in the United States through the joint rules issued by the OCC, the Federal Reserve (FED), and the Federal Deposit Insurance Corporation (FDIC), global systemically important bank holding companies (GSIBs) have been subject to a leverage framework composed of the Supplementary Leverage Ratio (SLR) and an additional, reinforced requirement known as the enhanced Supplementary Leverage Ratio (eSLR). The latter functions as a risk-insensitive capital buffer intended to ensure that institutions maintain a minimum level of capital even against exposures considered low risk. Over time, however, various market participants have noted that the eSLR can become overly restrictive, at times acting as the binding capital constraint for traditionally safe activities such as U.S. Treasury intermediation, with potential effects on market liquidity.

In this context, the OCC, the FED, and the FDIC have **published the final rule amending certain regulatory capital standards**. Its objective is to adjust the eSLR requirements to reduce their restrictive nature and improve the efficient allocation of capital to low-risk activities, without compromising the eSLR's role as a backstop to risk-based capital requirements.

2. Main aspects

The main amendments introduced by the final rule published on certain regulatory capital standards are:

- **Modification of the eSLR standard.** The final rule updates the eSLR standard after reviewing the proposed calibration and the comments received, adjusting how this requirement is determined for both GSIB holding companies and their depository institution subsidiaries. For holding companies, the level of the requirement is recalibrated to achieve a more balanced standard, while for depository institutions the calibration is revised and the design of the standard is modified, shifting from a fixed requirement to a capped additional component. In addition, under the new rule, covered depository institutions must maintain the eSLR buffer in addition to the minimum SLR of 3% to avoid restrictions on capital distributions and certain discretionary bonus payments. Likewise, insured depository institutions must maintain that minimum SLR to be considered adequately capitalized under the prompt corrective action framework, which classifies institutions into capital categories and applies increasingly stringent restrictions as their capital levels deteriorate.
- **Corresponding adjustments to Total Loss-Absorbing Capacity (TLAC) and long-term debt (LTD) requirements.** Because the TLAC and LTD requirements are partially based on leverage measures, the final rule introduces technical updates to align them with the changes implemented to the eSLR. These revisions do not alter the general structure of the TLAC framework nor the existing thresholds—which remain at a minimum of 6% leverage exposure for TLAC and a minimum of 4.5% leverage exposure for LTD but they do update the components that depend on leverage ratios to prevent interpretative inconsistencies or misalignments across prudential requirements. The objective is to ensure regulatory consistency and avoid divergences or inconsistencies between the eSLR adjustments and the existing TLAC framework.

3. Next steps

- The final rule will enter into force on **April 1, 2026**, with optional early adoption of the modified eSLR standards permitted from **January 1, 2026**.

Relevant Publications

Brazil

06/11/2025

S BCB - Public consultation on a regulatory proposal launching the second
D phase of the GRSAC Report



1. Context

Since 2021, the BCB has required financial institutions to publish the GRSAC Report. This requirement is part of the sustainability dimension of the BC Agenda, launched in 2020, which aims to incorporate environmental, social, and climate factors into prudential regulation and risk management within the Brazilian financial system. The introduction of the GRSAC marked a milestone in the sector's transparency by requiring institutions to disclose structured qualitative information on governance, strategies, and processes related to these risks.

In this context, the BCB has opened a **public consultation on a regulatory proposal launching the second phase of the GRSAC Report**. The proposal aims to broaden the scope and enhance the quality of the information disclosed by financial institutions through the incorporation of quantitative metrics and the improvement of qualitative requirements, to strengthen transparency and align the Brazilian framework with international standards set by the International Sustainability Standards Board (ISSB) and the Basel Committee on Banking Supervision (BCBS). The requirements vary according to the prudential segment of the institutions (S1 to S4), as defined by the BCB based on their size, complexity, and systemic relevance.

2. Main aspects

The proposal under consultation introduces new elements aimed at strengthening the scope and quality of the information disclosed. Notably, the following elements stand out:

- **Expansion of the report's scope.** The proposal extends the content of the GRSAC Report by introducing new standardized tables with quantitative data on metrics and targets related to social, environmental, and climate risks, to strengthen comparability and transparency among institutions.
- **Revision of qualitative requirements.** The qualitative tables introduced in 2021 have been refined to enhance information on governance, strategy, and risk management processes, as well as on transition plans and sustainability commitments adopted by institutions.
- **Inclusion of new risk categories.** The framework introduces specific tables for climate transition risk, exposures in the agricultural and energy sectors and for physical risk, which includes drought and heavy rainfall scenarios, along with metrics on social and environmental risks.
- **Differentiated treatment by type of information.** The disclosure of the business opportunities table remains optional, while tables related to voluntary commitments (national or international) will become mandatory for institutions that have signed such commitments.

3. Next steps

- The public consultation period will remain open until **February 13, 2026**.
- The new resolution will enter into force on **January 1, 2027**, and will initially apply to institutions in segments S1 and S2. Institutions classified in segments S3 and S4 will be required to comply with the new requirements as of **December 31, 2028**.

28/11/2025



BCB - Joint resolution providing for the provision of BaaS by financial entities, payment entities, and other entities authorised to operate



1. Context

Over recent years, the BCB has prioritized strengthening the framework for open finance and integrated financial services, with the aim of enhancing competition, interoperability, and consumer protection. This agenda gained momentum with Joint Resolution No. 1/2020, which launched Open Finance by standardizing the exchange of data and services, customer consent, and technical governance among participants. As part of this effort, Law No. 12,865/2013 integrated payment arrangements and entities into the Brazilian Payment System (SPB), while Resolution No. 4,935/2021 updated the regime for in-country correspondents, clarifying responsibilities and contracting limits. This regulatory evolution responds to repeated requests from supervisors and the market to streamline legal and administrative frameworks, enabling third parties to offer integrated financial products with clear rules on responsibility and transparency.

In this context, the BCB has **approved Joint Resolution No. 16/2025, which regulates the BaaS model and sets a clear framework for the provision of integrated financial services by third parties**. The resolution's objective is to define responsibilities between the financial entities and the third party, ensure customer transparency (identification of the regulated provider), standardize governance and supervision, and reduce operational and conduct risks in integrated offerings. By organizing contracts, limiting opaque structures, and aligning interoperability with Open Finance and the SPB, the rule seeks to protect consumers, provide legal certainty to the market, and preserve system integrity.

2. Main aspects

This publication summarizes the key elements of Joint Resolution No. 16/2025 on BaaS:

- **Customer transparency.** Interfaces and materials must clearly identify the financial institution responsible for the product/service, avoiding confusion about who assumes regulatory obligations.
- **Governance and supervision.** Sets requirements for internal governance, risk management, operational controls, and traceability of operations carried out through third parties, with supervisory powers and evidentiary requirements.
- **Mandatory manuals.** Introduces monitoring and customer-experience manuals with minimum contents (customer life cycle, pre-contractual information, customer care and complaints) to ensure homogeneous standards across the chain.
- **Dispute resolution.** Requires a platform and clear procedures to handle complaints and disputes, with defined response times and escalation.
- **Contractual limitations.** Prevents opaque structures by restricting multiple contracts for the same type of account or service between the same third party and several institutions, reducing complexity and operational risk.
- **Commercial communication and designations.** Prohibits third parties from presenting themselves as financial institutions when they are not, and regulates the use of designations, brands, and messages to avoid misleading consumers.
- **Interoperability and data.** Aligns the model with open finance, promoting standards for the exchange of data and services through secure interfaces with informed consent.
- **Monitoring and reporting.** Imposes periodic information duties on the financial institution regarding the third party's performance (operational, conduct, and service quality), with remediation plans for non-compliance.

3. Next steps

- The resolution entered into force on **28 November 2025**.
- Entities with contracts in force upon the entry into effect of the resolution must fully adapt them to the new requirements **by 31 December 2026**.

28/11/2025



BCB - Joint Resolution No. 18/2025, which establishes the quality policy for information provided by financial entities and other entities authorized to operate by the BCB



1. Context

In recent years, the BCB has strengthened its data governance and information quality agenda as part of its risk-based supervision strategy. This approach includes initiatives to improve the integrity, consistency, traceability, and reliability of data reported by financial institutions, given its critical role in financial stability and regulatory decision-making. In this vein, Joint Resolution CMN No. 4,968/2021 had established initial obligations regarding the quality and governance of reporting to the supervisor, but its scope was limited considering current needs.

In this context, the BCB and the CNM have approved **Joint Resolution No. 18/2025, which establishes the quality policy for information provided by financial entities and other entities authorized to operate by the BCB**, setting a technical and governance framework to ensure that the information reported to the supervisor is complete, accurate, reliable, traceable, and provided with adequate levels of control. The resolution defines essential quality criteria, management responsibilities, validation and remediation mechanisms, and rules for the management and reporting of irregularities.

2. Main aspects

This publication summarizes the key elements of Joint Resolution No. 18/2025:

- **Mandatory information quality policy.** Entities must implement and maintain a formal policy that ensures the quality of all data, documents, and information sent to the BCB, complying with attributes such as accuracy, integrity, consistency, traceability, relevance, and confidentiality. The resolution updates and replaces previous provisions of Joint Resolution CMN No. 4,968/2021 to consolidate a single framework on information quality.
- **Essential quality criteria.** The policy must include procedures for capturing, recording, validating, reconciling, storing, updating, and internally disclosing information, as well as mechanisms for detecting and correcting errors, maintaining data dictionaries, and ensuring that reports accurately reflect operational reality.
- **Governance and internal responsibilities.** The board of directors and senior management must actively participate in the implementation, annual review, oversight, and continuous improvement of the policy. The appointment of a director responsible to the BCB and the performance of periodic tests on the quality of the information are required.
- **Resources and technical capabilities.** Entities must have sufficient human and technological resources, adopt tools for data management and monitoring, ensure access controls, protect the integrity and availability of information, and document all related processes.
- **Detection and correction of deficiencies.** The policy must provide for mechanisms to identify irregularities, establish action plans, set deadlines for correction, and document the measures taken. The BCB may require revisions, reject information submitted, determine adjustments, and request the replacement of incorrect data.
- **Supervision and prerogatives of the BCB.** The supervisor may evaluate the quality of internal processes, request additional documentation, order operational improvements, require the revision of models and systems associated with the generation of information, and determine the replacement of reports.

3. Next steps

- Entities must implement all requirements and adjust processes, systems, and controls by **December 31, 2026**.
- The resolution comes into force on **January 1, 2026**.

05/12/2025

CL BCB - Resolution on the submission of quantitative information for the ICAAP,
D the ICAAP-Simp, and stress tests using scenarios provided by the BCB



1. Context

The Brazilian prudential framework requires entities to maintain ICAAP processes, defined by National Monetary Council (CMN) Resolution No. 4,557/2017, which establishes the risk and capital management framework, and operationalized by BCB Circular No. 3,846/2017, which details procedures and parameters for their calculation and submission to the BCB. In addition, application is proportional according to prudential segmentation, so that entities in Segment 1 (S1) maintain the full ICAAP and those in Segment 2 (S2) may apply the simplified ICAAP (ICAAP-Simp), incorporating supervisor-defined stress scenarios where applicable.

In this context, the BCB has **published Resolution No. 527/2025 on the submission of quantitative information for ICAAP, ICAAP-Simp, and stress tests using BCB-provided scenarios**, with the aim of strengthening the consistency and comparability of supervised prudential information.

2. Main aspects

This publication summarizes the key elements on the submission of quantitative information for ICAAP, ICAAP-Simp, and stress tests using scenarios provided by the BCB:

- **Scope of application.** Applies to financial entities and other entities authorized by the BCB classified as S1 or S2. The cited prudential segmentation ranks entities by size, complexity, and systemic relevance: S1 groups those with greater scale and/or systemic importance (more complex operations and significant volume), while S2 includes large and relevant entities, but one tier below S1 in complexity or aggregate risk. It does not apply to development agencies or consortium administrators.
- **Content to be submitted.** For S1 entities, quantitative ICAAP information must be submitted in accordance with BCB Circular No. 3,846/2017, which sets the procedures and parameters governing calculation and submission to the Central Bank (definitions, measurement formulas/criteria, and presentation requirements). For S2 entities, quantitative ICAAP-Simp information must be submitted under the same Circular, applying the procedures and parameters provided for the simplified version (the same operating framework, with proportional requirements for calculation detail and information presentation). In both cases, submission must follow the formats and consistency/validation rules indicated by the Circular and by BCB instructions.
- **Stress tests.** S1 and S2 must submit to the BCB the results of stress tests carried out with scenarios provided by the BCB; submission will follow the operational instructions set by the BCB, and entities must retain for five years the information submitted and the documentation of the methodology and assumptions used.
- **Frequency and horizon.** Annual calculation with 31 December as the reference date and a minimum horizon of 3 years; the BCB may require other reference dates.
- **Consolidation and accountable officer.** Submission on a consolidated basis by the lead entity of the prudential conglomerate (where applicable) and appointment of a director responsible for the information submitted; retention of data and methodologies for 5 years.
- **Cooperative systems.** When the power provided in CMN Resolution No. 5,223/2025 is exercised, lead banks/cooperatives must also consolidate and submit ICAAP-Simp information for the respective cooperative system.

3. Next steps

- The provisions are in force as from publication on **3 December 2025**.
- As of **1 July 2026**, specific obligations under Arts. 3 (sole paragraph) and 6 (caput, III, and sole paragraph, II) take effect: when the lead entity of a cooperative system (cooperative bank, confederation, central cooperative, or single cooperative) exercises the power under Art. 4 of CMN Resolution 5,223/2025, it must also submit quantitative ICAAP-Simp information consolidating all credit cooperatives in the system (Art. 3, sole paragraph); in addition, that lead entity is expressly identified as the party obligated to submit (Art. 6, caput, III) and must start submission immediately after the BCB authorization enabling the exercise of that power (Art. 6, sole paragraph, II).

Relevant Publications

Chile

22/10/2025



CL CMF - Regulatory report prior to the second consultation on amendments to the RAN, CNC, and NCG within the framework of Basel III

1. Context

The CMF has been implementing the Basel III standards since the enactment of Law No. 21,130 of 2019, which modernized Chilean banking legislation. Within this framework, the CMF has issued various regulations to strengthen the capital adequacy regime and risk management of the banking system, incorporating progressive adjustments to the RAN, CNC, and related NCG. Between April and June of this year, a public consultation was launched on the modification of: i) Chapters 8-4, 8-40, 12-3, 21-1, 21-6, 21-7, and 21-30 of the RAN; ii) Chapters B-6 and B-7 of the CNC; and iii) the proposed regulation in Chapter 21-10; and NCG Nos. 303 and 451. During this process, a wide range of comments were received, which, after being analyzed by the CMF, led to significant changes to the initial proposal.

In this context, the CMF has published a **regulatory report prior to the second consultation on amendments to the RAN, CNC, and NCG within the framework of Basel III**, with the aim of presenting the main changes introduced after the first consultation, carried out earlier this year, and gathering new market observations to refine the implementation of the Basel III framework, promote repo and securitization markets, and incorporate the prudential treatment of derivatives and credit insurance.

2. Main points

The regulatory report contains the following main aspects:

- **Diagnosis.** A detailed analysis of the relevant markets is presented, identifying the main regulatory challenges: repos, which have limited depth compared to other jurisdictions and require a clear framework for capital calculation and collateral management; securitizations, considered a relevant mechanism for financing and risk management; and derivatives and credit insurance, which are in their infancy in Chile and require the definition of their prudential treatment. The alignment with the BCBS international standards and recent regulatory developments in the United Kingdom (UK) is highlighted.
- **First regulatory proposal in public consultation.** The first version, consulted in April 2025, included three main areas: the reduction of credit risk weights (CRW) for repo transactions to 10% or 0% under certain conditions; adjustments to the treatment of securitizations, including the elimination of the 1,250% CRW and netting mechanisms to avoid double counting; and the recognition of derivatives and credit insurance as risk mitigation instruments. The proposal was presented through a Circular and an NCG.
- **Proposal after public consultation.** The new proposal incorporates substantive adjustments grouped by market. With regard to repos, the legal and tax conditions are specified, the eligible counterparties for PRC 0% are expanded, and the possibility of multiple sales of collateral is incorporated, adjusting chapters 12-3 of the Updated Compilation of Regulations (RAN) and B-6/B-7 of the CNC to harmonize accounting and prudential treatment. In securitizations, the concept of significant risk transfer (SRT) is introduced, according to the EBA, and the criteria for its determination are specified, maintaining incentives for self-securitizations and reviewing the simple, transparent, and comparable (STC) criteria. In derivatives and credit insurance, their recognition as credit risk mitigants is confirmed, specifying conditions for their eligibility and calculation in credit risk-weighted assets (CRWA).
- **New proposed regulations.** Specific regulatory changes to the chapters of the RAN, CNC, and NCG are detailed, incorporating revised definitions and technical adjustments derived from the consultation process. These amendments seek to strengthen the internal consistency of the prudential framework and align national provisions with Basel III standards and international practices.
- **Regulatory impact analysis.** A preliminary assessment of the expected effects of the amendments is presented, concluding that they will allow for a more proportionate and efficient application of capital requirements, promoting the liquidity and stability of the financial system without compromising the prudential soundness of the current framework.

3. Next steps

- The consultation will be open until **November 18, 2025**.

22/10/2025



CL

CMF - Regulatory Report on the requirement associated with liquidity monitoring for insurance companies and the creation of the MSI Seguros

1. Context

In recent years, the CMF has made progress in modernizing its supervisory tools, particularly in relation to financial risk monitoring. In the banking sector, for example, periodic liquidity reports with a forward-looking approach have been implemented, and in the fund industry, information requirements have been standardized. Within this framework, the CMF has identified the need to apply similar criteria to the insurance sector, given the uncertain nature of its obligations and the complexity of its cash flows.

In this context, the CMF has published the **Regulatory Report on the requirement associated with liquidity monitoring for insurance companies and the creation of the MSI Seguros**. The objective of this regulatory proposal is to establish a new periodic liquidity reporting requirement that improves the measurement of inherent liquidity risk in insurers and aligns with international best practices. In addition, it introduces the first version of the MSI Seguros, which aims to centralize current information requirements within a unified regulatory framework.

2. Main points

The regulatory report contains the following main aspects:

- **Diagnosis.** A detailed analysis of the relevant markets is presented, identifying the main regulatory challenges: repos, which have limited depth compared to other jurisdictions and require a clear framework for capital calculation and collateral management; securitizations, considered a relevant mechanism for financing and risk management; and derivatives and credit insurance, which are in their infancy in Chile and require the definition of their prudential treatment. The alignment with the BCBS international standards and recent regulatory developments in the United Kingdom (UK) is highlighted.
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- **Regulatory impact analysis.** A preliminary assessment of the expected effects of the amendments is presented, concluding that they will allow for a more proportionate and efficient application of capital requirements, promoting the liquidity and stability of the financial system without compromising the prudential soundness of the current framework.

3. Next steps

- The consultation will be open until **November 18, 2025**.

30/10/2025

1. Context

The legal framework applicable to the presentation of financial statements by supervised entities is defined in the Securities Market Law, the Corporations Law, Decree with Force of Law No. 251, which regulates the activity of insurance companies, and Decree Law No. 3,538, which creates the CMF. These provisions empower the CMF to require its supervised entities to provide legal, economic, and financial information, determine the accounting principles according to which they must keep their accounts, and establish the rules for the preparation and presentation of financial statements. They also require securities issuers and insurance companies to submit audited financial statements, which must be made available to shareholders, investors, and the public. In this context, the CMF has published the draft regulation on the presentation of financial statements by insurance companies, with the aim of requiring the International Financial Reporting Standards (IFRS) exclusively for national insurance and reinsurance companies, hereinafter referred to as insurers, that have securities listed. The main aspects

In this context, the CMF has published a **draft regulation on the presentation of financial statements by insurance companies**, with the aim of requiring the International Financial Reporting Standards (IFRS) exclusively for domestic insurance and reinsurance companies, hereinafter referred to as insurers, that have securities registered in the Securities Registry, as well as for insurers that must consolidate their financial statements with their parent companies that issue securities, with the exceptions established for the annuity business line.

2. Main points

The draft regulation contains the following main aspects:

- **Scope and regulated entities.** The proposal establishes the mandatory application of IFRS standards for domestic insurance and reinsurance companies that have securities listed on the Securities Registry, as well as for those that must consolidate their financial statements with parent companies that issue securities. The obligation does not extend to the annuity segment, which continues to be subject to the accounting exceptions currently in force with respect to reserves and the fixed-income assets that back them.
- **Implementation of IFRS 17.** Obligated entities must prepare their financial statements in accordance with IFRS 17 for the accounting of insurance contracts. In the case of life insurance companies, the exception to apply IFRS 9 to fixed-income assets backing annuities remains in place, in view of the high equity volatility evidenced by the CMF in the impact studies carried out.
- **Regulatory amendments.** The proposal introduces changes to General Regulation (NCG) No. 30 of 1989, which regulates the procedure for registration and ongoing reporting obligations of securities issuers, incorporating the obligation to present financial statements under IFRS for insurers and reinsurers that apply for or maintain securities registration, as well as for those that consolidate with insurance subsidiaries. Likewise, Circular No. 2022 of 2011, which establishes the form, content, and presentation of the financial statements of insurance and reinsurance companies, is amended to add the requirement to submit to the CMF financial statements prepared under IFRS in accordance with the provisions for securities issuers.
- **Expected impact.** The CMF expects the measure to generate greater comparability between the financial statements of securities issuers and their insurance subsidiaries, and a more accurate representation of the economic value of insurance contracts. Costs associated with the adaptation of accounting systems, training, and auditing are anticipated, although their scope is limited to one general insurance company that issues securities and seven issuers required to consolidate with insurers.

3. Next steps

- The regulation will come into force in **fiscal year 2028**, and the first presentation of financial statements under IFRS must be made in **2029**, corresponding to the end of fiscal year 2028. In this first presentation, companies will be exempt from providing comparative information with the previous fiscal year.

21/11/2025

D CMF – Modification of the Fund Information System

1. Context

The CMF has been progressively updating the reporting obligations applicable to general fund administrators (AGFs) with the aim of modernizing supervisory standards, strengthening the quality of the data submitted, and aligning the requirements with the operating systems of the Central Bank of Chile, especially with the Integrated Derivatives Transaction Information System (SIID). In this process, NCG No. 532 has been the central instrument regulating the content, format, and procedures of the Fund Information System Manual.

In this context, the CMF has published **NCG No. 554**, which introduces extensive modifications to NCG No. 532 on the Fund Information System with the purpose of updating regulatory files, incorporating new forms and tables, strengthening validation standards, and establishing direct alignments with the Central Bank's SIID.

2. Main points

The NCG contains the following main modifications:

- **Comprehensive update of regulatory files FONDOS01 to FONDOS07.** The CMF completely replaces the contents of the regulatory files in Annex No. 2 of NCG No. 532, incorporating new structures and fields, greater data granularity, adjustments to submission deadlines, and detailed standardization of reports for instruments, derivatives, expenses, participants, equity, valuations, and capital reductions.
- **New derivative reporting obligations aligned with the Central Bank's SIID.** A new Section IV is incorporated into NCG No. 532, which requires AGFs to electronically report to the Central Bank all derivative transactions involving currency, inflation, rates, equities, fixed income, and commodities. They must also send the CMF, via the FONDOS02 file, the identification of each contract reported to the SIID. These obligations apply to bank and non-bank subsidiary administrators.
- **Inclusion of new forms and tables in the Fund Information System Manual.** The regulation incorporates the new form on the requirement for information on collateral and adds six new reference tables (Tables No. 1 to No. 6) relating to fund classes, risk classifications, transactions, types of participants, among others. These tables become part of the MSI's Compendium of Forms and Compendium of Tables.
- **Strengthening of information validation and submission processes.** NCG No. 554 redefines the review procedures, establishing that files will only be considered delivered after passing the CMF's computerized validations. In addition, it requires a cover sheet to be attached to each regulatory file and requires AGFs to correct all errors before final submission.
- **Elimination of previous obligations and regulatory reorganization.** The section on relevant variables in the internal fund regulations is eliminated, and the headings and numbering of NCG No. 532 are reorganized for internal consistency. The regulation also deletes and replaces sections on modifications and validity, adapting them to the new content.
- **New rules for reporting capital reductions and dividend distributions.** The FONDOS07 file is updated to require detailed information on provisions, payments, types of reductions, total amounts and amounts per share, adjustment factors, and any combination of mechanisms applied. In addition, it incorporates a specific record for reporting dividend distributions in non-redeemable investment funds.

3. Next steps

- The regulation comes into force on **June 1, 2026**.
- There will be a six-month transition period until **November 30, 2026**.
- Guarantees that need to be updated during 2026 must be reported before **September 30, 2026**.

24/11/2025

D CMF - Official circular modifying the NCG on the MSI Fintec
1. Context

The MSI Fintec contained in NCG No. 530 establishes the data structure, frequency, and technical characteristics of the regulatory report applicable to service providers authorized under Title II of Law No. 21,521 (Fintec Law). Since its entry into force, the CMF has been making technical adjustments and improvements to ensure consistency in coding, standardization in reporting fields, and correct application of the oversight instructions associated with intermediation, custody, routing, crowdfunding platforms, alternative transaction systems (SAT), and advisory services.

In this context, the CMF has published the **circular letter modifying the NCG on the MSI Fintec**, with the aim of improving consistency between fields, correcting numbering, updating names, and ensuring uniformity in the information reported by entities registered in the Registry of Financial Service Providers (RPSF).

2. Main points

The circular introduces technical adjustments and internal corrections to various regulatory files of NCG No. 530 on the Fintec MSI, mainly:

- **Structural adjustments in FINTEC01 (Authorised services information).** Item No. 1, Record type, is deleted, all subsequent fields are renumbered, and internal references in record 01 are adjusted so that the service field becomes field No. 1. These changes seek to align the initial structure of the record with the MSI Fintec design criteria.
- **Modification of field type in FINTEC02 (Minimum equity and guarantees).** For record 01 of the FINTEC02 file, field No. 1 changes from type X(02) to numeric type 9(02), reinforcing the standardisation of the coding required for the minimum equity and guarantees report.
- **Numbering corrections in FINTEC03 (Transaction information).** Field 1, on record type, is explicitly incorporated, and the remaining fields are renumbered correlatively, correcting structural inconsistencies detected in previous versions.
- **Changes in FINTEC04 (Exposures).** The names of fields No. 2, No. 3 and No. 4 of record 04 are updated (changing to exposures, currency and position amount) and the name of field No. 6 of record 05 (position amount) is modified, in addition to the length of filler field No. 7.
- **Update of the field in FINTEC06 (Positions).** In record 02, field No. 5 changes its name from position amount to exposure amount, unifying criteria with the rest of the MSI files.
- **Reordering of numbering in FINTEC07 (Transactions).** In record type 01, the field on transaction type becomes No. 3 and the field on currency becomes No. 2; multiple internal references are also adjusted to ensure file consistency.
- **Multiple adjustments in FINTEC08 (Derivative instruments).** The technical definitions of various fields in records 01 and 02 (including their data type and length) are updated to standardise coding and ensure technical uniformity. In record 03, the numbering and names of several fields are also restructured, including changes to the identification of currency, underlying units and underlying coding.
- **Updates to FINTEC15 (Technological infrastructure).** Internal references in fields No. 2, No. 3, No. 4, No. 5, No. 8 and No. 11 have been modified, and the infrastructure as a service code has been corrected from 98 to 03 in the cloud type table.
- **Cross-reference adjustments in FINTEC16 (Third-party information and cross-references).** References in fields No. 10 and No. 14 have been updated to align them with the new numbering of fields No. 2 and No. 3, as appropriate, ensuring cross-file consistency.

3. Next steps

- The circular order entered into force on **November 24, 2025**.
- Entities registered with the RPSF must **immediately** incorporate the technical adjustments into the FINTEC01 to FINTEC16 files of the MSI Fintec, according to the applicability of the authorized services.
- Guarantees that must be updated during 2026 must be reported before **September 30, 2026**.

30/11/2025

D **CMF - Regulatory proposal for the Modernization of the Regulatory**
P **Framework for CACs supervised by the CMF: RAN CACs and MSI CACs**



1. Context

The Financial Resilience Law (LRF) transferred to the Financial Market Commission (CMF) the comprehensive regulation and supervision of Savings and Credit Cooperatives (CACs) with equity exceeding 400,000 Inflation-Indexed Units (UF), previously under the Division of Associativity and Cooperatives (DAES), enabling a proportional approach and the issuance of specific regulation on corporate governance, management evaluation, and risk methodologies, in coordination with the General Law of Cooperatives (LGC) and, where applicable, the General Law of Banks (LGB). Within this framework, the CMF opened two public consultation processes on the modernization of the regime applicable to CACs, aimed at gathering comments from the sector and stakeholders.

In this context, the CMF has published a **regulatory proposal for the Modernization of the Regulatory Framework for CACs supervised by the CMF: Updated Compilation of Rules (RAN) for CACs and the Information System Manual (MSI)**, with the objective of organizing, systematizing, and updating current provisions and new instructions; aligning supervision with a risk-based approach applied with proportionality (according to size, complexity, and risk profile); clarifying functions and duties of governing bodies and disclosure standards to members; modernizing reporting and data quality through an information manual with updated structures and fields; and reducing ambiguities through clear definitions and regulatory.

2. Main points

This section summarizes the main aspects of the proposal, highlighting the changes with the greatest operational and supervisory impact for the affected entities:

- **Objective scope and regulatory compilation.** Creation of RAN CACs and MSI CACs to organize, systematize and update the instructions applicable to CACs under CMF perimeter.
- **Governance and corporate bodies.** Clarifies functions and duties of the manager, board of directors and general meeting; rules for committees; and disclosure obligations to members, strengthening traceability and internal control.
- **Management evaluation and proportionality.** Adjusts the evaluation model (Chapter CAC-10) to the cooperative context, reinforcing proportional application according to size, complexity and risk profile.
- **Reporting and data.** MSI CACs updates structures, files and fields (additions/removals and new fields), aligning reporting with a risk-based approach and quality/consistency requirements.
- **Transparency and definitions.** Introduces clarifications on remuneration, cooperative principles, service hours and regulatory references, to standardize criteria and reduce interpretive ambiguities.
- **Operational implications.** Implementation will require document adjustments (bylaws, internal regulations and policies), system upgrades and a work plan for the first submission under MSI CACs, as well as training for governing bodies and responsible teams.

3. Next steps

- The new version is **submitted to public consultation until January 12, 2026.**

16/12/2025

P CMF - Draft regulation on External Audit Firms



1. Context

The CMF currently regulates External Audit Firms (EAFs) through a set of differentiated sectoral rules, including, among others, General Rule (NCG) n° 275, applicable to the securities market, as well as specific provisions contained in the Updated Compilation of Rules (RAN) for banks and in the prudential regulation applicable to insurance companies. This approach has resulted in non-harmonised requirements regarding registration, professional suitability, independence, quality control and information obligations, making consistent supervision by the CMF more challenging. In addition, in recent years the CMF has strengthened its supervisory expectations regarding the quality of external audits, in line with international standards, focusing in particular on the internal governance of EAE, the management of conflicts of interest and the traceability of audit processes.

In this context, the CMF has published a **draft regulation on the rules applicable to EAEs**, aimed at consolidating and updating the regulatory framework applicable to external audit firms. To this end, it establishes a single regulatory framework that harmonises registration requirements, operational standards, independence, quality control and information obligations, regardless of the financial sector in which the firms provide their services.

2. Main points

The draft regulation establishes a comprehensive regulatory framework applicable to EAFs:

- **EAE Register.** The draft regulation provides a detailed framework for the EAE Register administered by the CMF, setting out the procedures and requirements applicable to registration applications, updates to registered information, and the grounds and procedures for suspension and cancellation of registration, with the aim of ensuring that EAFs continuously meet the conditions required to operate.
- **Technical suitability of EAE.** Minimum criteria and requirements for technical suitability are defined for EAE and the professionals responsible for audit engagements, including experience, technical competencies and compliance with professional standards, thereby strengthening the quality and consistency of audit services provided to supervised entities.
- **Internal regulations of EAE.** EAE are required to have formalised internal regulations establishing policies and procedures on matters such as internal governance, quality control, independence, professional ethics, conflict of interest management and allocation of responsibilities, aligned with the International Standards on Auditing (ISAs) and international best practices.
- **Ongoing information to the CMF.** The draft regulation governs the ongoing information obligations that EAE must submit to the CMF, specifying the content, scope and frequency of the information to be reported, in order to enable continuous and risk-based supervision by the regulator.
- **Records and supporting documentation.** Specific obligations are established regarding the maintenance of records and supporting documentation for audit engagements, ensuring the traceability, integrity and availability of information for supervisory purposes and potential reviews by the CMF.
- **Statements issued by EAE.** The draft regulation governs the statements that EAE must issue in the performance of their duties, specifying their scope, content and associated responsibilities, with the aim of enhancing the clarity, consistency and reliability of opinions issued in the context of audits.

3. Next steps

- The public consultation on the draft regulation closes on **8 February 2026**.

Relevant Publications

Colombia

08/10/2025



S SFC - External Circular 0015 of 2025, which introduces specific instructions for the management of environmental and social risks

1. Context

The Colombian financial system faces growing challenges related to environmental, social and climate issues. These risk factors, in addition to their economic impact, can affect the financial stability and resilience of entities. Therefore, the management of environmental and social risks, including climate risk, has become a key component of prudential supervision and good governance practices.

In this context, the SFC has published **External Circular 0015 of 2025**, which introduces specific instructions for the management of environmental and social risks, including climate risk, in supervised entities. Its objective is to strengthen the identification, measurement, control and monitoring of these risks, promoting the integration of environmental and social criteria in financial operations.

2. Main points

The Circular introduces the following provisions to integrate the management of environmental, social and climate risks into the risk management systems of supervised entities:

- **New Chapter on Environmental and Social Risk Management, including Climate Risk, in the Basic Accounting and Financial Circular (CBCF).** A complete chapter has been added that establishes general and specific guidelines for the identification, assessment, control and monitoring of environmental and social risks, with special emphasis on climate risks. Institutions must incorporate these factors into their policies, credit assessment methodologies, monitoring procedures and investment portfolio management. Entities are also expected to adopt analytical tools that enable them to understand the potential financial impacts of climate events, regulatory transitions or changes in market preferences. In terms of credit, the chapter introduces minimum criteria for assessing the environmental and social risk of operations, considering both the customer profile and the nature of the projects financed.
- **Modification to the Internal Control System of the Basic Legal Circular (CBJ).** Sections 3.1.4 (Risk management policies) and 3.2 (Risk management) of Chapter IV of Title I of the CBJ are updated with the aim of integrating environmental, social and climate risks into the internal control system. The SFC establishes that the management of these risks must be part of the overall risk management process of entities, reinforcing the responsibility of management bodies in defining policies, limits and controls. Similarly, it emphasises the need to maintain dynamic and permanent identification and monitoring processes, as well as reporting mechanisms that allow senior management and the SFC to assess the exposure and mitigation of these risks.

3. Next steps

- The Circular came into force on **3 October 2025**.
- Supervised entities must prepare and submit to the Financial Superintendency of Colombia, within the following **six months**, a detailed implementation plan describing the stages, responsible parties and resources allocated to comply with the new requirements.
- The maximum period for full adoption of the provisions will be **eighteen months** from the date of publication.
- In addition, entities may implement the instructions in advance, before the deadlines expire, and the SFC may publicly recognise such efforts in the area of sustainability and responsible risk management.

22/12/2025



SFC - Draft Circular setting out instructions on the EPR and the PAC and PAL



1. Context

Within the framework of Pillar 2 of the standards set by the Basel Committee on Banking Supervision (BCBS), institutions are encouraged to have internal mechanisms in place to determine their capital and liquidity needs in line with their risk profile, nature, size and business plan. In line with these recommendations, the SFC considers it necessary to establish instructions for the implementation of PAC and PAL and to generally update the instructions applicable to the EPR, so that stress tests enable the assessment of vulnerabilities, support strategic decision-making and the estimation of optimal capital needs under adverse scenarios.

In this context, the SFC has published for public comments the **Draft Circular setting out instructions on the EPR and the implementation of PAC and PAL**, with the aim of adopting the BCBS recommendations, strengthening the internal framework for capital and liquidity assessment, and ensuring that stress testing is integrated into decision-making and internal planning, thereby enabling the identification of vulnerabilities and the estimation of capital and liquidity needs under adverse scenarios.

2. Main points

This publication sets out the key elements of the framework proposed by the SFC:

- **New Chapter XXVIII of the CBCF on the EPR.** It is proposed to replace the current Chapter XXVIII of the Basic Accounting and Financial Circular (CBCF), which is devoted to the Stress Testing Framework (EPR), with a new chapter that updates its instructions and explicitly links it to the Capital Self-Assessment Programmes (PAC) and Liquidity Self-Assessment Programmes (PAL). The EPR is thereby positioned as the instrument feeding an integrated view of risks and capital and liquidity needs: adverse scenarios and stress test results are to be used to assess vulnerabilities, support strategic decision-making and underpin internal capital and liquidity planning, strengthening consistency between stress testing, internal management and supervisory expectations.
- **Repeal of Annex 1 of the EPR.** It is proposed to repeal Annex 1, which contained the supervisor-required EPR guidelines. As a result, the framework would be concentrated in the new Chapter XXVIII, simplifying the structure and avoiding duplication between annexes and main instructions.
- **Creation of a new Chapter XXXVII for PAC and PAL.** A new chapter is proposed to establish instructions on capital and liquidity self-assessment processes. The approach is aligned with Basel guidelines and international best practices, reinforcing the expectation that institutions internally assess their capital and liquidity needs in accordance with their risk profile.
- **Derogation of EPR reporting template F.1000-138 (format 527).** It is proposed to eliminate the specific "Stress Testing" reporting template (format 527), in line with the transitional regime. This entails reviewing the future EPR reporting framework and the timelines for migration to the new requirements.

3. Next steps

- The SFC will receive comments until **22 December 2025**.
- By **31 July 2026**, institutions must submit to the SFC an implementation plan to comply with the new Chapter XXVIII (EPR) and Chapter XXXVII (PAC/PAL), including: i) a monthly work plan with tasks, deliverables and responsible parties; and ii) an impact assessment (estimated costs and required technological/operational adjustments).
- The main instructions would enter into force on **1 January 2028**; during 2028, capital requirements arising from the review of the PAC would not be binding and would become mandatory as from **1 January 2029**.

Other publications of interest

This section is a compilation of the summaries published weekly by our R&D department through the FinRegAlert app. This content includes other regulatory publications considered to be of lower impact than those that received the alert label.

These publications are listed according to the geographic scope of the publication and the date of publication (from oldest to most recent).

In addition, the publications have been labelled for information purposes with the most representative topics of the type of content or nature of the publication:

Global	84
European Region	87
American Region	105

Other publications of interest

Global

ISO · Publication of ISO 17298:2025 on integrating biodiversity into the strategy and operations of organizations

10/08 · Sustainability

The International Organization for Standardization (ISO) has published ISO 17298:2025. This new international standard provides a framework for organizations to identify and assess their impacts, dependencies, and risks related to biodiversity, and to integrate these considerations into strategic planning and daily operations. The standard sets out requirements and recommendations for prioritizing actions, defining measurable objectives, monitoring progress, and reporting on biodiversity performance. Its aim is to help organizations align with global biodiversity goals and contribute to sustainable development. ([more detail](#))

ISO · Standard ISO/IEC 27701:2025 on information security, cybersecurity, and privacy protection

10/17 · Cybersecurity

The International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) have published the new ISO/IEC 27701:2025 standard, which provides a comprehensive and up-to-date framework for establishing, implementing, maintaining, and continuously improving a Privacy Information Management System (PIMS). The first version of the standard was published in August 2019 with the aim of providing a specific framework for privacy management and the processing of personally identifiable information (PII), serving as a reference for demonstrating compliance with the General Data Protection Regulation (GDPR) and other international regulations. The 2025 standard modernizes the previous version, aligning it with the updated standards of the ISO 27000 family and reinforcing accountability and transparency in the processing of personal data. Key aspects include requirements for creating, implementing, and improving a more comprehensive PIMS; detailed guidelines on privacy risk management, regulatory compliance, and demonstration of accountability; and greater alignment with other standards such as ISO/IEC 27001, ISO/IEC 29100, ISO/IEC 27018, ISO/IEC 29151, and the GDPR. ([more detail](#))

BCBS · Basel III Monitoring Report

10/23 · Supervisory Expectations · Capital, liquidity and leverage

The Basel Committee on Banking Supervision (BCBS) has released the Basel III monitoring report for the end of 2024. Data indicates that large internationally active banks maintain capital ratios above the required minimums, with a stable leverage ratio and a Net Stable Funding Ratio (NSFR) exceeding 100%. However, a slight decrease in the Liquidity Coverage Ratio (LCR) was observed in some Group 1 banks. Group 2 banks showed improvements in both liquidity ratios without shortfalls. Additionally, an increase in the dividend payout ratio relative to profits was noted among Group 1 banks. ([more detail](#))

BIS · Technical amendment on hedging of counterparty credit risk exposures

10/28 · Capital, liquidity and leverage

The Bank for International Settlements (BIS) has published a technical amendment which addresses the use of fixed-or-capped protection and credit derivatives to hedge counterparty credit risk (CCR). The amendment clarifies that it does not apply to securities financing transactions (SFTs) under the internal-models method (IMM) or to securitisation exposures. The BIS sets 1 November 2028 as the implementation date and notes that it will monitor banks' practices to prevent regulatory arbitrage. ([more detail](#))

IOSCO · Recommendations for secondary market disclosure

11/05 · Reporting

The International Organization of Securities Commissions (IOSCO) has released the report about recommendations for secondary market disclosure, highlighting the importance for securities issuers to provide full, accurate, timely, and easily accessible information to investors. The report offers recommendations in line with Principle 16 of IOSCO's Objectives and Principles of Securities Regulation. The IOSCO recommends that jurisdictions define clear requirements regarding the frequency, scope, and format of disclosure, covering material events, financial results, corporate structure changes, and significant risks. It further calls for the use of official public channels to ensure fair access, the implementation of verification procedures to ensure accuracy, and effective enforcement mechanisms in case of non-compliance. ([more detail](#))

IOSCO · Public consultation on general business risk guidance for financial market infrastructures

11/07 · Capital, liquidity and leverage · Compliance and conduct

The International Organization of Securities Commissions (IOSCO), together with the Committee on Payments and Market Infrastructures (CPMI), has published two documents on general business risk management and business losses by financial market infrastructures (FMIs). The first is an assessment report that reviews the implementation of Principle 15 of the Principles for FMIs (PFMI) in 34 FMIs and identifies serious issues related to liquid assets funded with capital to cover potential losses, recovery planning and orderly closure, and mechanisms for raising additional capital. The second is a consultative report, which proposes guidance for FMIs

and relevant authorities, complementing the PFMI, and is open for comment until February 6, 2026. ([more detail](#))

IASB · Amendments to IAS 21 about the effects of changes in foreign exchange rates

11/13 · Accounting

The International Accounting Standards Board (IASB) has issued amendments to International Accounting Standard (IAS) 21 about the effects of changes in foreign exchange rates, clarifying how entities should translate their financial statements into a hyperinflationary presentation currency. These narrow-scope amendments aim to enhance the usefulness of the information in a cost-effective manner, reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency. They are effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. ([more detail](#))

NGFS · Update of the guide to climate scenario analysis

11/13 · Sustainability

The Network for Greening the Financial System (NGFS) has released an updated version of its Guide to Climate Scenario Analysis, aimed at central banks and supervisors. This update incorporates best practices in scenario design, data and modelling, and places greater emphasis on short-term scenarios to assess near-term financial risks stemming from climate change. The guide serves as a practical reference for integrating climate scenarios, both physical and transition risks, into risk management and decision-making processes. ([more detail](#))

IOSCO · Public consultation to update investment fund valuation principles

11/17 · Compliance and conduct · Asset and liability management

The International Organization of Securities Commissions (IOSCO) has published a consultation paper proposing to update the valuation principles applicable to collective investment schemes (CIS), including hedge funds. The document sets out 13 revised recommendations addressing governance, management of conflicts of interest, valuation in stressed market conditions, use of external providers, review of expired valuations, and record keeping. The revision responds to the growing exposure of CISs to less liquid assets and market developments since the original principles were issued in 2007 and 2013. IOSCO invites its members and market participants to submit comments by February 2, 2026, and plans to publish the final report in the second or third quarter of the year. ([more detail](#))

FSB · 2026 Workprogramme

11/19 · Supervisory expectations

The Financial Stability Board (FSB) has approved the work programme for 2026, combining close monitoring of vulnerabilities with new policy initiatives. The statement highlights risks from historically stretched asset valuations, particularly in Artificial Intelligence (AI) related securities, elevated government debt, the rapid growth of private credit markets and highly leveraged non-bank participants in sovereign bond markets, as well as specific challenges for emerging market and developing economies. The FSB has set priorities to modernise regulation and supervision, address risks from crypto-assets and stablecoins, enhance the resilience of non-bank financial intermediation, promote action plans to improve cross-border payments, move to the second phase of its strategic review of implementation monitoring and further develop its work on resolution, including crisis preparedness, funding in resolution and recovery and resolution planning for insurers. ([more detail](#))

IASB · New accounting model to reflect how financial institutions manage interest rate risk

12/03 · Accounting

The International Accounting Standards Board (IASB) has proposed a new accounting model to better represent how financial institutions manage interest rate risk on a net basis. The model aims to provide greater transparency into how interest rate risk management affects financial performance and future cash flows. The proposed requirements would allow entities to apply the model if their business activities expose them to repricing risk, which they manage on a net basis using derivatives. The model focuses on representing the entity's risk management activities rather than governing or restricting risk management. The proposal of the new model is open to comments until July 31, 2026. ([more detail](#))

BCBS · Consultation on standard format for machine-readable disclosures

12/05 · Non-financial reporting

The Basel Committee on Banking Supervision (BCBS) has published a consultation on a standard format for machine-readable disclosures by banks. The proposed standard would make existing disclosure by banks more accessible and easier to aggregate. Banks would be required to publish their Pillar 3 disclosures in standardised machine-readable formats, without changing the underlying disclosure requirements. National supervisors would decide whether banks should publish the machine-readable disclosures on their own websites or via a centralised data repository. Consultation closes on March 5, 2026. ([more detail](#))

BCBS · Final version of the principles for the sound management of third-party risk

12/10 · Third Parties (Suppliers)

The Basel Committee on Banking Supervision (BCBS) has published the final version of its principles for the prudent management of third-party risk, introducing several key enhancements compared to the consultation paper. Notably, the principles strengthen the ultimate accountability of the board of directors, requiring it to explicitly define third-party risk appetite and tolerance for disruption, and to receive direct reporting on provider performance and material risks. The risk assessment is further emphasised as a dynamic and ongoing process throughout the entire life cycle of third-party arrangements, to be updated following material changes. Due diligence expectations are expanded to cover providers' ability to manage their own supply chains (including relevant third parties), known and potential risks, and the costs and benefits of the arrangement. Contractual

expectations are clarified with respect to access and audit rights and business continuity obligations for critical services, while insurance coverage is addressed through due diligence rather than as a minimum contractual clause. The principles also reinforce expectations on onboarding, ongoing monitoring of providers and concentration risk assessment, as well as on business continuity and exit strategies, which should be based on plausible scenarios and reviewed regularly. Finally, supervisory expectations are strengthened, with third-party risk explicitly assessed within operational risk and operational resilience frameworks, an expanded toolkit to identify systemic risks, and enhanced cross-border and cross-sectoral supervisory cooperation for critical third-party providers. ([more detail](#))

Other publications of interest

European Region

EBA • Work Programme 2026

10/01 • Supervisory expectations

The European Banking Authority (EBA) has published its Work Programme outlining the key priorities and initiatives for 2026. Besides focusing on three key priorities, the EBA's work will aim at strengthening the simplicity and efficiency of the regulatory and supervisory framework for banks and financial entities in the European Union (EU), in close cooperation with the relevant EU and non-EU stakeholders. In this respect, the EBA launched a comprehensive assessment of the framework, and decided to engage in 21 actions to enhance its efficiency. The 2026 Work Programme includes specific actions for next year for each of the four areas under review. The EBA will report on a regular basis on the implementation of all the recommendations. ([more detail](#))

EFRAG • EFRAG launches Multi-Language VSME Digital Template for SMEs sustainability reporting across Europe

10/03 • Sustainability • Reporting

The European Financial Reporting Advisory Group (EFRAG) has published the multilingual VSME digital template for sustainability reporting by SMEs across Europe. This update reflects the European Commission (EC) recommendation on VSME launched in July 2025 and aligns with the Extensible Business Reporting Language (XBRL) Taxonomy published in May 2025. This template is expected to facilitate sustainability reporting for SMEs in Europe. ([more detail](#))

ESMA • ESMA 2026 Work Programme

10/10 • Supervisory expectations

The European Securities and Markets Authority (ESMA) has published its Work Program for 2026, which aims to move towards more integrated, accessible, and competitive financial markets in the European Union (EU). This program sets out the priorities and actions that the authority will carry out to improve the regulation and supervision of the financial sector. The initiatives described in the program are expected to be implemented starting in 2026. ([more detail](#))

EC • De-prioritisation of Level 2 acts in financial services legislation

10/08 • Compliance

The European Commission (EC) has published a plan to deprioritize 115 non-essential Level 2 acts in financial services legislation, in line with its broader simplification agenda. This approach seeks to optimize regulation and facilitate compliance for financial institutions, as a high volume of Level 2 acts can generate compliance costs and regulatory complexity for stakeholders, while requiring significant resources from co-legislators to examine them. ([more detail](#))

ESMA • Consultation on CCP participation requirements

10/10 • Credit & capital

The European Securities and Markets Authority (ESMA) has launched a consultation on draft regulatory technical standards (RTS) regarding the elements to be taken into account when central counterparties (CCPs) define participation requirements. This process seeks to obtain opinions on the conditions that entities must meet in order to participate in these institutions. The consultation is open until October 10, 2025. ([more detail](#))

EIOPA • Set of consultations related to the Solvency II Review

10/10 • Credit & capital

The European Insurance and Occupational Pensions Authority (EIOPA) has launched a new series of consultations on legal instruments arising from the Solvency II framework review, which includes 2 revised Implementing Technical Standards (ITS), 2 revised Guidelines (GL), 1 set of new Regulatory Technical Standards (RTS), and 1 set of Guidelines. These consultations cover topics such as the calculation of the Solvency Capital Requirement, liquidity risk management, and supervisory powers to address deficiencies in insurers' liquidity management, aiming to improve the regulation and supervision of insurers in Europe. The deadline for submitting comments is 5 January 2026. ([more detail](#))

EP • Simplification of sustainability reporting and due diligence obligations within the Omnibus package

10/13 • Sustainability • Reporting

The European Parliament (EP) has presented a legislative proposal within the Omnibus package that simplifies sustainability reporting and due diligence obligations, limiting their application to large companies with more than 1,000 employees and annual net turnover exceeding €450 million. It also provides for the creation of a single digital portal with free guides and templates, the removal of civil liability at the European Union (EU) level, and the simplification of sectoral requirements to reduce the administrative burden. Following approval in plenary, negotiations between MEPs and EU governments are expected to begin on October 24, 2025. ([more detail](#))

EC • International Roadmap for a clean and resilient transition

10/16 • Sustainability

The European Commission (EC) has unveiled a new international roadmap to secure Europe's leadership in the global energy transition. The strategy focuses on strengthening cooperation with key partners, boosting investments in clean and resilient technologies, and promoting high environmental and social standards in international markets. Additionally, it aims to diversify energy sources and reduce dependence on unsustainable supplies, aligning with the European Union's (EU) climate and geopolitical objectives. [\(more detail\)](#)

EBA · Response to proposals to amend liquidity standards

10/10 · Market & ALM · Cryptoassets

The European Banking Authority (EBA) has published a response to the European Commission's (EC) proposals on changes to technical standards related to asset reserve liquidity requirements under the Markets in Cryptoassets Regulation (MiCA). The EBA plays a key role in the stability of the European Union (EU) banking sector and in promoting convergent supervisory practices. This response is part of its ongoing commitment to the regulation of the European financial system. [\(more detail\)](#)

EU · Conclusions about tax incentives for clean technologies and industry

10/10 · Sustainability · Tax

The Council of the European Union (Council) has published conclusions on the use of tax incentives to support clean technologies and industry. These conclusions emphasize the importance of fostering investment in sustainable technologies and the need for a fiscal framework that supports the ecological transition. It is expected that these measures will boost innovation and competitiveness in the sector. [\(more detail\)](#)

ESMA · Key reforms to settlement discipline to support the transition to the T+1 cycle

10/13 · Wholesale business

The European Securities and Markets Authority (ESMA) has proposed key reforms to settlement discipline to enhance the efficiency and safety of financial transactions in the European Union (EU). Measures include shorter timelines for trade confirmation and allocation, the introduction of tools such as automatic partial settlement, and improvements to pre-settlement processes, all aimed at supporting the transition to the T+1 settlement cycle, meaning that financial transactions are settled one business day after the trade. [\(more detail\)](#)

ESMA · 2025 European common enforcement priorities and results of fact-finding on materiality in sustainability reporting

10/14 · Supervisory Expectations

The European Securities and Markets Authority (ESMA) has released its 2025 European common enforcement priorities, focusing on key areas of annual financial reports from listed issuers. Highlighted aspects include the assessment of geopolitical risks, segment reporting, and materiality considerations in sustainability disclosures under the European Sustainability Reporting Standards (ESRS). These priorities aim to enhance transparency and the quality of financial information, promoting greater investor protection and market stability. ESMA has also published the results of a fact-finding exercise on 2024 sustainability reporting practices, focusing on materiality assessment and its impact on future regulation. [\(more detail\)](#)

EIOPA · Guidelines on promoting diversity in (re)insurers' governance bodies

10/14 · Conduct

The European Insurance and Occupational Pensions Authority (EIOPA) has issued new guidelines to promote diversity within the administrative, management, and supervisory bodies (AMSBs) of (re)insurance undertakings. These guidelines are in response to a recent amendment to the Solvency II Directive, which mandates insurers to implement policies promoting diversity, including setting quantitative gender balance objectives. EIOPA emphasizes the importance of considering factors such as educational and professional background, age, gender, and geographical origin when selecting AMSB members. The guidelines will become applicable as of 30th January 2027. [\(more detail\)](#)

ESMA · Recommendations for targeted revisions to the investment firms' prudential framework

10/15 · Market & ALM · Compliance and conduct

The European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) have issued technical advice in response to the European Commission's (EC) call for advice on the Investment Firms Regulation (IFR) and Investment Firms Directive (IFD). They propose limited changes to the current prudential framework, which has proven to be fit-for-purpose based on stakeholder feedback. The recommendations aim to enhance the proportionality and functioning of the framework and improve its ability to contribute to a level playing field among investment firms and other financial institutions performing similar activities. [\(more detail\)](#)

EBA · Annual Work Programme 2026

10/16 · Supervisory Expectations

The European Supervisory Authorities (ESAs) have published their Work Program for 2026. The program sets out joint priorities to strengthen the digital operational resilience of the financial system, improve consumer protection, foster financial innovation, and monitor emerging cross-sectoral risks. It includes the supervision of critical Information and Communication Technology (ICT) providers under the Digital Operational Resilience Act (DORA), the regulation of retail investment products (PRIIP), the supervision of sustainability disclosures (SFDR), the monitoring of securitizations and financial conglomerates, and supporting innovation and coordination in artificial intelligence and credit rating agencies (ECAI). The initiatives will be implemented throughout 2026, seeking supervisory convergence, transparency, and financial stability. [\(more detail\)](#)

EIOPA · Update of the technical documentation on risk-free interest rate term structures

10/16 · Other risks

The European Insurance and Occupational Pensions Authority (EIOPA) has published an updated version of the technical documentation outlining the methodology for deriving risk-free interest rate term structures (RFR). This update incorporates the results of the 2025 Deep, Liquid, and Transparency (DLT) Assessment and Bulgaria's adoption of the euro as of January 1, 2026. The changes will take effect in January 2026. ([more detail](#))

SRB · Public consultation on its new operational communication guidelines for Banks**10/17 · Conduct · Recovery and resolution**

The Single Resolution Board (SRB) has published a public consultation on its new operational communication guidelines for banks, which includes the operational Guide on communication for banks and the communication Supplement to the operational Guide on resolvability testing for banks. The aim is to establish a common framework that will enable institutions to develop clear and coordinated communication plans, test resolution scenarios, and improve their preparedness for potential financial crises. The public consultation will remain open until December 12, 2025. ([more detail](#))

ESRB · Report on systemic risks from crypto-assets**10/20 · Cryptoassets**

The European Systemic Risk Board (ESRB) has published a report examining three key areas of the crypto-asset ecosystem; stablecoins; crypto-asset investment products and multi-function groups. The report highlights risks associated with stablecoins jointly issued by European Union (EU) and third-country entities, identifying vulnerabilities that could impact the EU's financial stability. In response, the ESRB has issued a recommendation urging public authorities to address these risks, leaving it to the Member States to define and implement the corresponding actions between the end of 2025 and the end of 2027. ([more detail](#))

EC · Work Programme 2026**10/21 · Supervisory expectations**

The European Commission (EC) has published its Work Programme for 2026, setting out 38 new political objectives and 47 legislative initiatives, 25 of which include a significant simplification component. The programme comprises five annexes new initiatives; annual plan for evaluations and fitness checks; list of pending proposals; intended withdrawals and repeals. Priorities include competitiveness, sustainability, and digitalization, with a focus on reducing administrative burdens and enhancing the implementation of legislation. ([more detail](#))

EC · Package of targeted measures to strengthen competitiveness**10/21 · Sustainability · Others**

The European Commission (EC) has today proposed targeted measures to support companies, global stakeholders, third countries, and Member States, aiming to ensure the competitiveness of the European Union (EU) in an increasingly challenging global economic environment. Key actions include simplifying regulatory processes for innovative companies, supporting the internationalization of small and medium-sized enterprises (SMEs) and startups, and promoting investment in strategic key sectors. The EC calls on the European Parliament (EP) and the Council to swiftly adopt the proposal for an extended implementation period by the end of 2025. ([more detail](#))

ESMA · RTS for loan-originating alternative investment funds**10/21 · Market and ALM**

The European Securities and Markets Authority (ESMA) has published a final report with Regulatory Technical Standards (RTS) for loan-originating alternative investment funds (AIFs) maintaining an open-ended structure. These standards set requirements on liquidity management systems, availability of liquid assets, stress testing and redemption policies, tailored to the nature of underlying loans and their repayment timelines. The RTS have been submitted to the European Commission (EC) for adoption, which must decide whether to adopt them within three months, with a possible one-month extension. ([more detail](#))

EP · Rejection of the Omnibus I package proposal**10/22 · Sustainability · Reporting**

The European Parliament (EP) has rejected the proposal of the Committee on Legal Affairs (JURI) regarding the Omnibus I package, which aimed to simplify corporate sustainability and due diligence rules, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). JURI had proposed to start direct negotiations with the Council of the European Union (EU) and the European Commission (EC) through trilogues without a plenary vote and to raise the thresholds for application of both directives to reduce the number of companies covered. The rejection focused on limited parliamentary control, the perceived excessive level of deregulation, and insufficient balance between simplification and protection of small and medium-sized enterprises (SMEs). The EP will decide on the amendments to the Omnibus I package at the plenary session on 13 November 2025. ([more detail](#))

EFRAG · Assessment of IFRS 16 Leases implementation**10/23 · Accounting**

The European Financial Reporting Advisory Group (EFRAG) has published its Final Comment Letter (FCL) on the International Financial Reporting Standard (IFRS) 16 Leases, following the post-implementation review requested by the International Accounting Standards Board (IASB). The EFRAG notes that the standard works well for straightforward leases, improving transparency and comparability. It identifies areas for improvement, such as cash flow presentation, scope for certain intangible assets, and consistency with other IFRS, and recommends that the IASB provide clarifications and illustrative examples. ([more detail](#))

EBA · Consultation on the revised Guidelines on the Supervisory Review and Evaluation Process (SREP) and supervisory stress testing

10/24 · Capital, liquidity and leverage

The European Banking Authority (EBA) has launched a public consultation on the revision of its Guidelines on the Supervisory Review and Evaluation Process (SREP) and Supervisory Stress Testing, aiming to enhance the consistency and effectiveness of the prudential supervisory framework across the European Union. The proposals update methodologies for risk assessment, determination of additional capital requirements, and integration of stress-test results within the SREP. They also strengthen proportionality by tailoring the guidelines' application to institutions' size, business model, and risk profile. The consultation will be open until January 26, 2026 and the Guidelines will be applicable from January 1, 2027. ([more detail](#))

Council · Approval of regulatory framework for compulsory licensing in crisis situations

10/27 · Compliance

The Council of the European Union has approved a new regulatory framework enabling the granting of compulsory licences of intellectual-property rights in crisis situations, when voluntary negotiations fail. The procedure can only be triggered after the activation of crisis or emergency mode at EU level. The regulation sets these licences as a measure of last resort, excludes specific sectors such as defence, chips and gas, and protects trade secrets. It establishes a Union-wide mechanism to ensure access to critical products in cross-border emergencies. The text still needs to be approved in a plenary session of the European Parliament. ([more detail](#))

EBA · Final draft of RTS on criteria to assess the materiality of CVA risk exposures arising from securities financing transactions

10/29 · Capital, liquidity and leverage

The European Banking Authority (EBA) has published the final draft of Regulatory Technical Standards (RTS) on credit valuation adjustment (CVA) risk arising from fair-valued securities financing transactions (SFTs). Pursuant to Capital Requirements Regulation (CRR), the proposal sets a quantitative threshold of 5% to determine when CVA risk exposures from fair-valued SFTs are material and mandates a quarterly assessment. ([more detail](#))

ECB · Progress in the digital euro project

10/30 · Digital currencies

The European Central Bank (ECB) has published the advancement to the next phase of the digital euro project. This project aims to modernize the payment system in the euro area and provide a digital alternative to cash payments. This new phase is aimed at ensuring the technical readiness of the system for a potential first issuance as early as 2029, provided the necessary legislation is adopted during 2026. ([more detail](#))

EBA · Legal advice about the foundations of the new anti-money laundering and countering the financing of terrorism regime to the European Commission

10/30 · Anti Money Laundering

The European Banking Authority (EBA) has published advice to the European Commission on the foundations of the new anti-money laundering and countering the financing of terrorism (AML/CFT) regime. The recommendations include a risk-based and proportionate approach, a harmonised methodology for assessing obliged entities' inherent and residual risk profiles, and common criteria for sanctions and supervision. This advice aims to contribute to the stability and effectiveness of the European financial system. Moreover, the EBA will transfer its AML/CFT mandate to the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) on 31 December 2025. ([more detail](#))

EBA · Public Consultation on the Guidelines on the authorization of TCBs under CRD

11/04 · Capital, liquidity and leverage

The European Banking Authority (EBA) has launched a public consultation on the Guidelines for the authorisation of third-country branches (TCBs) under the Capital Requirements Directive (CRD). The initiative aims to establish common criteria for the assessment, content and procedure of TCB authorisations, thereby strengthening supervisory convergence and ensuring consistent application of the new prudential regime across the European Union (EU). The consultation addresses the main elements of the new authorisation process for TCBs within the European Economic Area (EEA) and seeks feedback from stakeholders on key aspects relevant to its practical implementation. These include: i) the scope and substance of the no-objection statement from the home-country authority, and whether it should include an assessment of the parent institution's soundness and governance; ii) the proportionality of the information required on the programme of operations, governance structure and control mechanisms; iii) the conditions under which competent national authorities (NCAs) may rely on documentation submitted in previous TCB authorisation procedures; and iv) the clarity and flexibility of procedural elements, including timelines, steps and communications. The public consultation will remain open until 3 February 2026, and a virtual public hearing will be held on 10 December 2025, with registration closing on 8 December at 16:00 Central Europe Time (CET). ([more detail](#))

EDPB · Public consultation on templates and resources to facilitate compliance with GDPR

11/05 · Compliance and conduct · Reporting

The European Data Protection Board has launched a consultation to identify templates that would facilitate compliance with the General Data Protection Regulation (GDPR) for organizations. The resources committed include: i) a series of ready-to-use templates for organisations; ii) a common data breach notification template for Data Protection Authorities (DPAs), aimed at streamlining reporting procedures and reducing burdens on organisations; iii) direct, easy-use resources such as checklists, how-to guides and FAQs. The EDPB also commits to enhancing the consistency of GDPR interpretation and enforcement by DPAs through the collection of national

positions, review of existing guidelines and development of common tools and methodologies. Comments can be received until December 3, 2025. ([more detail](#))

Council · Amendment to the European Climate Law

11/05 · Sustainability

The Council of the European Union (EU) has reached an agreement to amend the European Climate Law (ECL), setting a binding target of a 90 % net reduction in greenhouse gas (GHG) emissions compared to 1990 levels by 2040. The agreement includes new flexibilities such as the contribution of international carbon credits up to 5 % from 2036, the incorporation of permanent CO₂ removals into the European Union (EU) Emissions Trading System to compensate for hard-to-abate emissions, and a strengthened biennial review mechanism of the targets. The Council presidency will start negotiations with the European Parliament once the latter adopts its position, with a view to agreeing on the final text of the amendment. ([more detail](#))

EBA · Final Guidelines on ESG scenario analysis

11/05 · Capital, liquidity and leverage · Sustainability

The European Banking Authority (EBA) has issued the final Guidelines on ESG scenario analysis, complementing the ESG risk management Guidelines and implementing Article 87a(5) of the Capital Requirements Directive (CRD VI). The Guidelines set out common methodologies for institutions to assess their resilience to adverse environmental impacts particularly physical and climate transition risks through scenario analysis and dedicated stress testing. The final text limits the scope to environmental factors, strengthens integration into institutions' governance and strategy, and introduces a three-tier proportionality approach (large institutions, less significant institutions, and small and non-complex institutions). It replaces the procedural model with a results-based approach, establishes a minimum 10-year time horizon, and designates the static balance sheet as the primary method. A new section details how outcomes must feed into the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP), and the Supervisory Review and Evaluation Process (SREP), as well as align with sustainability and transition plans required under the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). The Guidelines will apply from 1 January 2027. ([more detail](#))

EC · Delegated Regulation on the amendments to the disclosure requirements of the ESRS

11/10 · Sustainability · Reporting

The European Commission has published the Delegated Regulation 2025/1416 which amends the Delegated Regulation 2023/2772 to postpone certain European Sustainability Reporting Standards (ESRS) disclosure requirements for wave 1 companies. It replaces appendix C of ESRS 1 to extend phase-in reliefs, allowing these companies to omit specific data points in the 2025 and 2026 financial years, such as anticipated financial effects (ESRS 2 SBM-3), Scope 3 emissions, biodiversity, and social risk disclosures. Companies with more than 750 employees may now opt out of reporting on ESRS E4 and ESRS S2-S4 during these years. Those applying the relief must disclose in their sustainability statement that they used the exemptions and confirm whether they consider these topics as material. ([more detail](#))

EDPS · Guidance on risk management for IA systems

11/11 · Artificial Intelligence

The European Data Protection Supervisor (EDPS) has published guidance on risk management for Artificial Intelligence (AI) systems, based on ISO 31000:2018. The guidelines cover the entire AI lifecycle, from design and data preparation to decommissioning, and include risk assessments when acquiring third-party systems. They emphasize the need for interpretability and explainability to ensure auditable decisions aligned with organizational objectives, and highlight risks related to fairness, accuracy, data minimization, security, and data subject rights, including generative AI-specific threats such as prompt injection and jailbreaking. ([more detail](#))

EP · Endorsement and additional adjustments to the Omnibus proposal

11/13 · Sustainability · Reporting

The European Parliament (EP) has adopted a position on the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D) that significantly modifies the European Union (EU) Council's mandate of June 2025. The main changes include: i) raising the thresholds for application to companies with at least 1,750 employees and a turnover of more than €450 million, unifying the CSRD and CS3D criteria and significantly reducing the universe of companies subject to the directive; ii) a more proportionate due diligence approach based on reasonably available information and prioritisation by severity and likelihood of impacts, limiting contact with business partners to justified cases only; iii) explicit protection of trade secrets; iv) precise restrictions on value chain information and the use of voluntary standards (ESRS) for small entities; v) complete removal of the obligation for climate transition plans under CS3D; vi) maintenance of the maximum limit for financial penalties of 5% of turnover as set out in the final version of CS3D of 2024; and vii) creation of a single digital portal to centralise templates and guidelines. The CS3D operational guidelines will be published on 26 July 2026, the application to the first group of companies within the scope of this Directive is delayed until 26 July 2028, and the review of the first ESRS must be completed within six months of the entry into force of the amending Directive. ([more detail](#))

NGFS · Update of the guide to climate scenario analysis

11/13 · Sustainability

The Network for Greening the Financial System (NGFS) has released an updated version of its Guide to Climate Scenario Analysis, aimed at central banks and supervisors. This update incorporates best practices in scenario design, data and modelling, and places greater emphasis on short-term scenarios to assess near-term financial

risks stemming from climate change. The guide serves as a practical reference for integrating climate scenarios, both physical and transition risks, into risk management and decision-making processes. [\(more detail\)](#)

EIOPA · RTS on new macroprudential requirements following the Solvency II review

11/17 · Capital, liquidity and leverage

The European Insurance and Occupational Pensions Authority (EIOPA) has submitted to the European Commission (EC) two draft Regulatory Technical Standards (RTS) aimed at enhancing the macroprudential framework introduced by the Solvency II review. The standards cover: i) Liquidity Risk Management Plans (LRMPs) requiring insurers to conduct medium- and long-term liquidity analyses and update them at least annually; and ii) macroprudential analyses to be integrated into the Own Risk and Solvency Assessment (ORSA) and the Prudent Person Principle (PPP). The CE has three months to decide on their adoption. [\(more detail\)](#)

ECB · Supervisory priorities 2026-2028

11/18 · Supervisory expectations

The European Central Bank (ECB) has set three strategic priorities in line with macro-financial, geopolitical, and technological risks. As priority 1, strengthen banks' resilience to geopolitical and macro-financial risks by maintaining prudent credit practices, adequate capitalization under the Capital Requirements Regulation (CRR) III, and effective management of climate and nature-related risks. As priority 2, enhance operational and ICT resilience by addressing operational risk deficiencies, cybersecurity, business continuity, and risk data aggregation and reporting (RDARR), in compliance with Digital Operational Resilience Act (DORA). Finally, as medium- and long-term priority, advance digital and Artificial Intelligence (AI) strategies with strong governance, risk controls, and oversight of emerging technologies, ensuring that digital transformation and cloud adoption are aligned with banks' business models and risk profiles. [\(more detail\)](#)

ECB · Update of the SREP methodology 2025

11/18 · Capital, liquidity and leverage

The European Central Bank (ECB) has published the updated methodology for the Supervisory Review and Evaluation Process (SREP). The document preserves the overall 2024 structure but introduces a more streamlined approach through more concise SREP decisions, removal of executive letters and greater use of the risk tolerance framework and the multi-year approach (MYA) in the business model assessment. In addition, it introduces a tiered approach to governance and risk findings, prepares the transition to the new Pillar 2 methodology and adjusts the intensity of liquidity assessments through enhanced analytical tools. [\(more detail\)](#)

ECB · Aggregated results of the 2025 SREP

11/18 · Capital, liquidity and leverage

The European Central Bank (ECB) has published the results of the 2025 Supervisory Review and Evaluation Process (SREP), which show a resilient sector, with capital requirements and guidance for 2026 at 15.6%. The report highlights improvements in profitability and efficiency, although risks remain due to the slowdown in net interest margins and external uncertainty. Weaknesses are identified in governance, risk data aggregation and risk reporting (RDARR), board composition, and control functions. Credit risk combines progress on non-performing loans (NPLs) with deterioration in commercial real estate and pressures on SMEs. Capital remains stable with greater scrutiny of the internal capital adequacy assessment process (ICAAP). Operational and information and communication technology (ICT) risk continues to be the weakest, and climate and environmental risks remain a supervisory priority. [\(more detail\)](#)

Council · Provisional agreement on EU insolvency rules

11/19 · Compliance and conduct

The Council of the European Union (EU) has, together with the European Parliament (EP), reached a provisional agreement on a directive harmonising certain aspects of insolvency law in the EU. The directive will set minimum common standards for avoidance actions, grant insolvency practitioners access to bank account, beneficial ownership and other registers, and introduce a prepack proceeding available in all member states. It also will align directors' duty to file for insolvency, lays down rules on creditors' committees and require national factsheets on insolvency law to be published. The agreement must be confirmed and adopted by both institutions. [\(more detail\)](#)

EC · Amendments to the sustainable finance disclosure regulation

11/20 · Sustainability

The European Commission (EC) has proposed a set of amendments to the Sustainable Finance Disclosure Regulation (SFDR) to simplify and improve the efficiency of transparency requirements for financial products with environmental or social objectives. The reforms seek to reduce the complexity and length of disclosures, eliminate entity-level principal adverse impact requirements for financial market participants, and introduce a clear product categorisation system with at least 70% of investments aligned. The EC proposal will now be submitted to European Parliament (EP) and Council for their deliberation. [\(more detail\)](#)

EBA · Final technical package for its reporting framework

11/25 · Reporting · Transactional banking · Recovery and resolution · Operational risk · Market risk

The European Banking Authority (EBA) has published the final technical package for version 4.2 of its reporting framework, marking an important step in the implementation of the data point model (DPM) 2.0 semantic glossary and the modernization of supervisory reporting across the European Union (EU). The package includes the deployment of DPM 2.0, new reporting requirements for instant payments, resolution planning, operational risk, and supervisory reference for market risk. The EBA may issue a specific update in early 2026 to address any urgent issues that arise during the initial implementation phase. [\(more detail\)](#)

SRB · 2026 work programme

11/26 · Supervisory expectations · Recovery and resolution

The Single Resolution Board (SRB) has published its 2026 Annual Work Programme, outlining its key objectives and priorities for the year. The SRB will focus on implementing a revamped resolvability assessment and a new multi-annual testing framework, in close collaboration with national resolution Authorities. It will also continue to organize deep-dives, increase on-site inspections, and streamline decision-making processes. Additionally, the SRB will hold its first economic conference to explore key economic issues related to resolution. ([more detail](#))

EC · Public consultation on Regulation about formats for submitting beneficial ownership information**11/26 · Anti money laundering · Reporting**

The European Commission (EC) has launched a public consultation on the standardised formats that Member States must use to submit beneficial ownership information to central registers, as part of the new European Union (EU) anti-money laundering (AML) framework. The initiative aims to establish common specifications to ensure interoperability, consistency in mandatory data fields, cross-border comparability and minimum data-quality standards for submissions made by entities and national authorities. The consultation seeks feedback on technical requirements, definitions, data-structure elements and update mechanisms in preparation for the adoption of the related implementing act and closes on December, 24. ([more detail](#))

EP · Agreement on the Payment Services Regulation and the third Payment Services Directive**11/27 · Digital transactions · Fraud prevention · Cybersecurity**

The European Parliament (EP) has reached an agreement on the Payment Services Regulation (PSR) and the Third Payment Services Directive (PSD3) to create a more open and competitive European Union (EU) payment services sector. Key provisions include mandatory fraud prevention measures, transparency on fees and charges, improved access to cash, and a simplified authorization process for payment institutions. The deal needs to be formally adopted by the EP and Council. ([more detail](#))

EC · Legislative proposals to reform the PEPP Regulation, the IORP II Directive, and the IDD**12/01 · Asset management**

The European Commission (EC) has published a legislative package consisting of a proposal for a Regulation amending the Regulation on the pan-European Personal Pension Product (PEPP) and a proposal for a Directive amending Directive on the activities and supervision of Institutions for Occupational Retirement Provision (IORP II) and the Insurance Distribution Directive (IDD). The package aims to strengthen the design, governance and transparency of supplementary pension products, enhance their efficiency and performance and expand their long-term investment capacity. The PEPP amendments remove structural features that had limited take-up, introduce a mandatory life-cycle investment strategy for the Basic PEPP and reinforce the prudent person principle with explicit integration of ESG factors. Transparency requirements are expanded, and use of the PEPP is enabled within automatic enrolment systems and employer contribution schemes. The amendments to IORP II and IDD harmonise the authorisation and supervisory framework, reinforce transparency on costs, returns and risks, introduce new member-protection and disclosure obligations, establish stress-testing requirements for certain IORPs and ensure consistent information standards for pension products offered by insurers. The public consultations run until 28 January 2026; the amended Regulation will apply one year after entry into force and Member States will have 12 months to transpose the amended Directive. ([more detail](#))

EFRAG · Technical advice on draft simplified ESRS**12/03 · Sustainability · Reporting**

The European Financial Reporting Advisory Group (EFRAG) has delivered its technical advice to the European Commission (EC) on the draft simplified European Sustainability Reporting Standards (ESRS). This marks a crucial step in reducing the regulatory burden for companies while preserving the EU's commitment to the Green Deal. The key simplifications include a greater focus on the usefulness of information, a simplified materiality assessment, reduced pressure for direct data collection in the value chain, and more flexibility, proportionality, and phasing-in for challenging disclosures. The EC will now prepare the delegated act revising the first set of ESRS, and EFRAG will continue to support the implementation of these standards. ([more detail](#))

EBA · Consultation on amendments to the RTS on prudential requirements for central securities depositories**12/03 · Capital, liquidity and leverage**

The European Banking Authority (EBA) has launched a consultation on amendments to the regulatory technical standards (RTS) on the prudential requirements applicable to central securities depositories under the Central Securities Depositories Regulation (CSDR). The proposed updates aim to clarify and refine aspects of the calculation of capital, liquidity and operational loss requirements, as well as to enhance the consistency of the prudential framework with the evolving business models of central securities depositories and with other applicable regulations. The consultation is open until 3 March 2026. ([more detail](#))

EIOPA · Proposal for a natural catastrophe risk awareness and prevention tool**12/03 · ESG risks**

The European Insurance and Occupational Pensions Authority (EIOPA) has proposed the development of a natural catastrophe risk awareness and prevention tool called PROTECT. The tool aims to help property owners understand their exposure to climate-related risks and take preventive measures to reduce the vulnerability of their buildings. PROTECT would provide users with a risk score, tailored recommendations on risk prevention measures, information on insurance coverage and exclusions, and insights on how prevention measures can impact insurance premiums. The goal is to enhance societal resilience, promote the availability and affordability of private insurance, and reduce protection gaps across Europe. EIOPA has not announced a formal timeline for the development or deployment of PROTECT, although the report indicates that a phased, step-by-step approach may be adopted as methodologies and data sources evolve. ([more detail](#))

EC · Proposal for measures to fully integrate financial markets

12/04 · Asset management

The European Commission (EC) has adopted a major package of measures designed to remove barriers and fully integrate the EU's single market for financial services. This package is a central component of the Savings and Investments Union (SIU) strategy, aiming to create a more integrated, efficient, and competitive financial system that provides EU citizens with better options for growing their wealth and supports businesses in accessing funding. The proposed measures focus on removing obstacles to market integration, facilitating innovation, streamlining and enhancing supervision, and simplifying the regulatory framework. The proposals must now be negotiated and approved by the European Parliament (EP) and the Council. ([more detail](#))

EBA · Consultation on RTS and ITS related to new supervisory instruments for material transactions under CRDVI

12/05 · Regulatory compliance · Credit

The European Banking Authority (EBA) has published a consultation paper on draft Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) concerning new supervisory tools for prudentially relevant operations under the Capital Requirements Directive (CRDVI). The document specifies the minimum information to be provided, a common assessment methodology and the processes for the notification and prudential assessment of material acquisitions, transfers of assets or liabilities, mergers and divisions, as well as procedures for consultation between competent authorities. Stakeholders are invited to submit their comments by 5 March 2026. ([more detail](#))

EIOPA · Guidance on group supervision, related undertakings and the assessment of internal models

12/07 · Model risk

The European Insurance and Occupational Pensions Authority (EIOPA) has published new Guidelines on exclusions from group supervision, a set of revised Guidelines on the treatment of related undertakings, and an updated opinion on the supervisory assessment of internal models with dynamic volatility adjustments. These publications and updates follow from the recent review of the Solvency II framework and reflect efforts to streamline and simplify legislative texts for insurers and supervisors without impairing the effectiveness of supervision. The Guidelines will become applicable as of 30 January 2027 and, until then, the Guidelines issued in 2015 will remain applicable. ([more detail](#))

EIOPA · Update of the Representative Portfolios Used to Calculate the Risk-Free Rate Volatility Adjustment under Solvency II

12/09 · Risk and Capital

The European Insurance and Occupational Pensions Authority (EIOPA) has published updated representative portfolios to be used for the calculation of the volatility adjustments (VA) to the relevant risk-free interest rate term structures under Solvency II Directive. The portfolios are based on end-2023 annual reporting templates submitted by European (re)insurance companies and provide a more accurate reflection of market volatility. EIOPA will start using these representative portfolios at the end of March 2026, with the updated VA figures published at the beginning of April 2026. EIOPA reviews these representative portfolios annually, with the next update scheduled for end-2025. ([more detail](#))

EIOPA · Publication of a new set of consultation papers in relation to the implementation of IRRD

12/09 · Recovery and resolution

The European Insurance and Occupational Pensions Authority (EIOPA) has published a new set of consultation papers related to the implementation of the European Union (EU) Insurance Recovery and Resolution Directive (IRRD). The consultation papers propose: i) Guidelines on scenarios for pre-emptive recovery plans; ii) Guidelines on indicators for pre-emptive recovery plans; iii) Guidelines on the provision of information and the use of professional secrecy waivers; iv) Guidelines on the application of simplified recovery and resolution obligations; v) Regulatory Technical Standards (RTS) on the independence of valuers in resolution processes; vi) RTS on the contractual recognition of stay powers in resolution; and vii) RTS on the valuation of liabilities arising from derivative contracts in resolution. EIOPA invites stakeholders to submit their responses by 20 March 2026 and will review the feedback before finalising the policy instruments. ([more detail](#))

Council · Provisional agreement to simplify the CSRD and CS3D and reduce the burden of sustainability reporting and due diligence requirements

12/09 · Sustainability-Disclosure

The Council of the European Union (EU) and the European Parliament (EP) have reached a provisional agreement that introduces significant changes compared to the originally adopted framework on sustainability, by significantly reducing the scope and burden of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D), through raising the application thresholds, excluding certain categories of companies (including small and medium-sized enterprises (SMEs) listed and certain financial holding companies), limiting the trickle-down effect on smaller business partners, flexibilizing the obligations on identifying and assessing adverse impacts, removing the obligation to adopt climate transition plans, eliminating the harmonized civil liability regime at the EU level, introducing a cap on penalties, and further postponing the transposition and application deadlines, thus reinforcing the simplification approach over the previous framework without altering the overall sustainability goals; the agreement now must be formally endorsed by both institutions before its final adoption. ([more detail](#))

EBA · Final draft amending RTS on factors assessing the appropriateness of real estate risk weights

12/10 · Credit

The European Banking Authority (EBA) has published its final draft amending Regulatory Technical Standards (RTS) on the factors to be considered by national authorities in assessing the appropriateness of real estate risk weights. This update is driven by the revised Capital Requirements Regulation (CRR3), which confers a new mandate to the EBA regarding the standardised approach (SA) of credit risk. The only amendment is to update the relevant legal references to align with the new banking framework. The document mandates the EBA, in close cooperation with the European Systemic Risk Board (ESRB), to develop draft RTS to specify the types of factors to be considered for the assessment of the appropriateness of the risk weights referred to. [\(more detail\)](#)

EBA · Presentation of the final RTS amending Article 124(11) of CRR III for real estate exposures

12/10 · Risk and Capital · Credit

The European Banking Authority (EBA) has published the final report on the draft Regulatory Technical Standards (RTS) amending Commission Delegated Regulation 2023/206, pursuant to Article 124(11) of the Capital Requirements Regulation (CRR3). That Delegated Regulation specifies the factors that competent authorities must consider when assessing the appropriateness of risk weights for exposures secured by immovable property and the minimum values of loss given default (LGD) parameters. The report concludes that these factors will remain unchanged, with only the legal references being updated to align them with CRR3. The report will be submitted by 10 January 2026, together with the draft RTS, to the European Commission (EC) for endorsement and subsequent publication in the Official Journal of the European Union (OJEU). [\(more detail\)](#)

ECB · Recommendations on simplification of the prudential, supervisory and reporting framework

12/11 · Risk and Capital

The European Central Bank (ECB) has published the recommendations of the High-Level Task Force on Simplification, endorsed by its Governing Council, aimed at simplifying the European banking regulatory, supervisory and reporting framework without weakening the resilience of the system. The proposals include: i) simplification of capital stacks and the leverage ratio; ii) quality of capital in going-concern situations; iii) a simplified and proportionate prudential regime for small banks; iv) reciprocity of macroprudential measures; v) alignment of the total loss-absorbing capacity (TLAC) and minimum requirement for own funds and eligible liabilities (MREL) frameworks; vi) greater use of Regulations and rationalisation of Level 2 and Level 3 legislation; vii) simplification of stress testing; viii) a holistic view of the aggregate level of capital in the banking union; ix) completion of the banking union and of the savings and investment union; x) strengthening of the single banking rulebook; xi) a risk-based supervisory approach; xii) the principle of requesting information only once; xiii) an integrated European reporting system; xiv) materiality thresholds for resubmission of information; xv) a public inventory of reporting requirements; xvi) periodic review of information obligations; and xvii) reform of Pillar 3 public disclosures. Under the leadership of the European Commission (EC), the recommendations to simplify the regulatory and supervisory framework may be further developed by the ESCB, the SRB, the ESRB and the EBA, with continued support from the ECB. [\(more detail\)](#)

EFRAG · Guides to support SMEs in sustainability reporting

12/11 · Non-Financial Reporting · Sustainability-Disclosure

The European Financial Reporting Advisory Group (EFRAG) has published three supporting guides to help small and medium-sized enterprises (SMEs) report on sustainability disclosures identified as particularly challenging. These guides provide practical, ready-to-use support with clear examples and case studies, covering topics such as describing sustainability practices and policies, setting greenhouse gases (GHG) reduction targets and climate transition plans, and reporting on severe negative human rights incidents in the value chain. [\(more detail\)](#)

ECB · Geopolitical risk reverse stress test

12/12 · Risk and Capital

The European Central Bank (ECB), within the framework of the Single Supervisory Mechanism (SSM), has announced that in 2026 it will conduct a reverse stress test on geopolitical risk covering 110 directly supervised banks, with possible limited exclusions due to consolidation considerations, corporate processes or participation in other simultaneous exercises. The exercise adopts a reverse stress testing approach, under which each institution must identify plausible geopolitical scenarios capable of generating a minimum reduction of 300 basis points in Common Equity Tier 1 (CET1) capital, distinguishing it from previous exercises based on common scenarios. Beyond the quantitative impact, the objective is to assess and strengthen banks' internal risk management capabilities, in particular the integration of geopolitical risk into stress testing frameworks, internal governance, operational resilience and capital and recovery planning. The exercise will be integrated into the 2026 Internal Capital Adequacy Assessment Process (ICAAP) and its results will be used for qualitative purposes to complement the Supervisory Review and Evaluation Process (SREP), with no direct impact on Pillar 2 guidance. Aggregate results will be published in the summer of 2026. [\(more detail\)](#)

EBA · Final draft RTS on the threshold and prudential and risk management requirements applicable to central securities depositories and credit entities providing ancillary banking services

12/12 · Risk and Capital · Regulatory Compliance

The European Banking Authority (EBA) has published its final report containing draft Regulatory Technical Standards (RTS) on the determination of the threshold referred to in Article 54(5) of Regulation (EU) No 909/2014 Central Securities Depositories Regulation (CSDR) and the appropriate risk management and prudential requirements to mitigate risks related to the designation of credit entities in accordance with Article 54(2a). The RTS introduces a dynamic threshold (minimum of EUR 3.75 billion and 1.5% of annual settlement volume; maximum of EUR 6.25 billion and 2.5%), with a proportionate increase in prudential and risk management requirements depending on the level of activity. The Delegated Regulation will enter into force on the twentieth day following its publication in the Official Journal of the European Union (OJEU). [\(more detail\)](#)

EBA · Final draft RTS on the prudential treatment of structural foreign exchange positions

12/12 · Structural Risk

The European Banking Authority (EBA) has published its final report containing draft Regulatory Technical Standards (RTS) on the treatment of structural foreign exchange (FX) positions under Article 104c of the Capital Requirements Regulation (CRR). The document aims to harmonise the conditions for granting exemptions from FX own funds requirements where positions are deliberately taken to hedge capital ratios, and sets governance, methodological and reporting expectations. It includes reporting templates and instructions and indicates that the reporting will be incorporated into the supervisory reporting Implementing Technical Standards (ITS), with a targeted application date in 2027. ([more detail](#))

EBA · Update of ITS validation rules and new centralised technical documentation portal**12/12 · Financial Reporting · Regulatory Compliance**

The European Banking Authority (EBA) has issued a revised list of validation rules under its Implementing Technical Standards (ITS) on supervisory reporting, flagging rules deactivated due to inaccuracies or IT issues and reminding national competent authorities (NCA) that submitted data should not be formally validated against those deactivated rules. It also released a small validation package including a micro taxonomy package and Data Point Model (DPM) validation-rule deactivation scripts, required from release 4.0 to ensure consistent deactivations in taxonomy and DPM. A technical adjustment for reporting framework 4.2 is scheduled for January 2026. ([more detail](#))

Council · Advances in the EU Securitisation Framework Reform**12/15 · Risk and Capital**

The Council of the European Union has published its negotiating mandate on the reform of the securitisation framework, while the European Parliament (EP) has released draft reports on the proposed amendments to the Capital Requirements Regulation (CRR) and the Securitisation Regulation, and the European Commission (EC) has announced the opening of a formal feedback period. The documents address changes to the prudential treatment of securitisations, including capital requirements and significant risk transfer, as well as adjustments to operational and transparency requirements, with a view to advancing the legislative process. The EC's feedback period is open until 9 February 2026. ([more detail](#))

EC · Feedback period on the proposal to amend the securitisation framework**12/15 · Risk and capital**

The European Commission (EC) has adopted a proposal for a Regulation amending Regulation (EU) 2017/2402 on securitisation and the framework for simple, transparent and standardised securitisation (STS). The proposal introduces definitions of public and private securitisations, streamlines due diligence requirements, and adjusts transparency obligations through lighter reporting templates and a dedicated template for private securitisations. It strengthens supervisory coordination under the leadership of the European Banking Authority (EBA), in cooperation with the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA). The feedback period is open until 9 February 2026. ([more detail](#))

ESMA · Finalisation of RTS on derivatives transparency and OTC derivatives consolidated tape data**12/15 · Market**

The European Securities and Markets Authority (ESMA) has published its Final Report containing proposed Regulatory Technical Standards (RTS) under the Markets in Financial Instruments Regulation (MiFIR) review on derivatives pre- and post-trade transparency, package orders, and input/output data requirements for the over-the-counter (OTC) derivatives consolidated tape. ESMA streamlines the deferral regime, adapts the package order RTS and proposes data quality amendments, including the list of fields to be transmitted and scope clarifications. The report has been submitted to the European Commission (EC), which has three months to decide whether to endorse the RTS; the new rules are expected to apply from 1 March 2027. ([more detail](#))

Council · Call to accelerate the transition towards a climate-resilient and circular Europe by 2030**12/16 · Sustainability**

The Council of the European Union (EU) has called for an accelerated transition towards a climate-resilient and circular Europe by 2030, stressing the need to step up the implementation of existing climate and environmental legislation. Ministers highlighted the importance of strengthening climate adaptation, advancing the circular economy, reducing pollution and protecting biodiversity, while ensuring coherence between environmental, industrial and economic policies to support EU competitiveness and resilience. Against this backdrop, the European Commission (EP) has announced two major initiatives in its 2026 work programme, the European integrated framework for climate resilience and the circular economy act. ([more detail](#))

ECB · Publication of the European banking supervision reform agenda**12/16 · Regulatory Compliance · Prudential Reporting**

The European Central Bank (ECB) has outlined its supervisory reform agenda to reduce undue complexity and sharpen the focus on material risks while safeguarding banks' resilience. It notes that on 11 December 2025 it published: i) the High-Level Task Force on Simplification report with 17 recommendations to simplify the regulatory, supervisory and reporting framework, submitted to the European Commission; and ii) a report describing changes that can be implemented within the existing legal framework. The agenda is organised around four initiatives: reforming the Supervisory Review and Evaluation Process (SREP), next-level supervision through streamlined and digitalised processes, a supervisory culture initiative, and an assessment of supervisory effectiveness, with progress updates to be communicated via supervisory reporting. ([more detail](#))

SRB · Updated expectations on the valuation of banks in crisis**12/16 · Recovery and Resolution**

The Single Resolution Board (SRB) has published modernised expectations on valuation capabilities for banks in crisis following an extensive public consultation. The updated expectations set out a revised valuation data framework requiring banks to maintain high-quality datasets to support timely and robust valuations in resolution scenarios, thereby enhancing crisis readiness. The modernised expectations replace the previous guidance issued in 2020 and banks are expected to progressively implement them by the end of 2029. ([more detail](#))

EIOPA · Results of the 2025 liquidity stress test for occupational pension funds

12/16 · Structural Risks

The European Insurance and Occupational Pensions Authority (EIOPA) has published the results of the 2025 Europe-wide liquidity stress test for occupational pension funds (IORP). The exercise assesses the sector's ability to withstand rapid shifts in yield curves and liquidity pressures arising from hedging positions and margin calls. Results confirm material vulnerabilities to margin calls in a sharp interest-rate rise scenario, which can create temporary liquidity shortfalls for some IORPs. However, the sector overall has adequate liquid asset buffers and, through management actions, can restore positive liquidity positions, demonstrating general resilience despite risks remaining for derivatives-intensive institutions. The findings provide a valuable basis for follow-up dialogue between supervisors and participating IORPs on the vulnerabilities identified. The insights of the stress test will also support EIOPA in its work on the supervision of IORPs' liquidity risk management. ([more detail](#))

EC · Consultation on the proposed amendment of the SFDR

12/17 · Sustainability - Disclosure · Market

The European Commission (EC) has presented a proposal to amend the Sustainable Finance Disclosure Regulation (SFDR), simplifying and reducing administrative and disclosure requirements, and improving comparability to protect investors against misleading claims related to environmental, social and governance (ESG) factors. The proposal introduces a three-tier categorisation of products with ESG features, provides for adjustments to scope and definitions, and includes related changes to the Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs), as well as the repeal of Commission Delegated Regulation (EU) 2022/1288, which sets out detailed rules on the content, methodologies and presentation of sustainability-related disclosures under SFDR. The consultation period ends on 13 February 2026. ([more detail](#))

EC · Draft on delegated Regulation amending rules on designated trading venues and market manipulation indicators

12/17 · Fraud Prevention

The European Commission (EC) has published a draft delegated Regulation amending delegated Regulation 2016/522 to: i) establish a list of designated trading venues with significant cross-border dimension for the purposes of the mechanism for the continuous and timely exchange of order data provided for in the Market Abuse Regulation (MAR) in respect of shares, and ii) update the market manipulation indicators to reflect technical developments such as algorithmic trading and correct erroneous references. The mechanism must be operational for shares by June 5, 2026, and extended to bonds and futures by June 5, 2028. ([more detail](#))

AMLA · Draft standards to align EU AML/CFT supervision

12/18 · Anti-Money Laundering

The Anti-Money Laundering and Counter-Terrorist Financing Authority (AMLA) has announced draft rules to move towards harmonized supervision in the European Union (EU), ahead of its direct supervision mandate from 2028 over 40 high-risk complex financial entities or groups. The publication presents a common approach to risk assessment through two draft regulatory technical standards (RTS) on risk assessments and selection, which share data and criteria to align assessment between AMLA and national supervisors. In addition, AMLA has opened a public consultation on implementing technical standards (ITS) for cooperation and transfer of powers, with a deadline of January 27, 2026. ([more detail](#))

Council · Provisional agreement on the retail investment strategy legislative package

12/18 · Conduct

The Council of the European Union (EU) and the European Parliament (EP) have agreed on the retail investment strategy package, updating the investment framework to empower and protect retail investors in EU capital markets. The agreement aims to broaden access to diversified investment opportunities, increase transparency and strengthen consumer trust, while contributing to the savings and investment union (SIU) and the competitiveness of Europe's financial markets. Technical work will now continue to finalise the legal texts early in 2026. Member states will have to transpose the new rules 24 months following their publication in the EU's official journal. ([more detail](#))

EFRAG · Emission of the adoption advice on the amendments to IFRS 19

12/18 · Accounting

The European Financial Reporting Advisory Group (EFRAG) has published its adoption advice on the amendments to International Financial Reporting Standard 19 (IFRS 19) on subsidiaries without public accountability: disclosures, concluding that they meet the technical criteria and are in the European public interest, and therefore recommends their adoption in the European Union (EU). EFRAG indicates that the amendments provide useful information for economic decisions, improve accountability, and maintain an acceptable cost-benefit balance. ([more detail](#))

EP · Provisional agreement on a legislative package amending directives and reporting standards on investment products to boost citizens' investment in financial markets

12/18 · Asset Management

The European Parliament (EP) has reached a provisional agreement with the Council of the European Union (EU) on new measures aimed at strengthening the protection of retail investors and encouraging their participation in capital markets. The agreement introduces stricter rules on financial advice acting in the client's best interests, requirements to ensure value for money and improve the comparability of financial products, and measures to supervise the promotion of financial products through influencers. It also strengthens financial education and updates the key information documents for Packaged Retail and Insurance-based Investment Products (PRIIPs). The text must be formally approved by the EP and the Council of the EU. ([more detail](#))

Spain

BdE · Public consultation on the update of the CIR

11/06 · Reporting · Information & data quality

The Bank of Spain (BdE) has published a public consultation about a new Circular that will replace Circular 1/2013 with the aim of consolidating the twelve amendments made since 2013 into a single text, clarifying the central credit register (CIR) regime, and strengthening legal certainty. The main changes include: i) the removal of Annexes 1 and 2 to include them in more flexible technical applications; ii) the introduction of clarifications to simplify procedures and update operations; iii) the incorporation of the legal obligation for legal entities to interact electronically with the CIR; and iv) two key operational adjustments that will come into force on January 2, 2027: bringing forward the monthly data submission to the 7th of the month and reducing the individual declaration threshold from €6,000 to €1,000. Comments may be submitted until November 20, 2025. ([more detail](#))

CNMV · Preliminary public consultation on the technical guide for internal controls in closed vehicle management companies

11/07 · Capital, liquidity and leverage

The National Securities Market Commission (CNMV) has launched a preliminary public consultation on a draft technical guide regulating internal controls in the management of closed-ended investment vehicles, including venture capital entities and similar structures. The guide aims to establish criteria and best practices for the organizational structure of management companies, the execution of internal control functions, and the effective management of conflicts of interest. It also seeks to provide clarity on the CNMV's supervisory expectations and streamline authorization processes for management companies. Stakeholders may submit comments until 15 December 2025. ([more detail](#))

CNMV · New criteria on the application of MiCA and on regulations governing funds and venture capital, the activity of influencers, and reimbursements for closed-end vehicles

12/15 · Crypto-Assets · Market Abuse

The Spanish National Securities Market Commission (CNMV) has published new supervisory criteria on the application of the Markets in Cryptoassets (MiCA) Regulation, as well as on various aspects of the regulatory framework for investment funds and private equity. The document also provides guidance on the activity of influencers and their treatment under conduct and marketing rules, as well as criteria on redemptions in closed-ended investment vehicles, aiming to promote consistent application of the rules, strengthen investor protection and enhance legal certainty for market participants. ([more detail](#))

UK

FRC · Consultation on enhanced enforcement procedures

(10/01) · Compliance

The Financial Reporting Council (FRC) has launched a public consultation on a number of proposals to improve its enforcement procedures as part of its comprehensive review of its disciplinary processes. The proposals include measures to increase transparency, streamline processes, and strengthen the protection of the public interest. The FRC is seeking feedback from stakeholders before implementing the changes, which, if approved, will alter the way audit and corporate governance breaches are investigated and resolved. The consultation will remain open until January 9, 2026. ([more detail](#))

FRC · Public consultation as part of the annual review of the Reduced Disclosure Framework (FRS) 101 accounting standard

(10/01) · Reporting · Accounting

The Financial Reporting Council (FRC) has launched a public consultation as part of its ongoing annual review of the reduced disclosure framework accounting standard (FRS) 101. This review assesses whether recent changes to International Financial Reporting Standards (IFRS) require adjustments to the disclosure exemptions allowed by FRS 101 for individual financial statements. The FRC is not proposing any changes at this time, but invites interested parties to submit comments on whether the current framework should be maintained or revised. The consultation will remain open until January 16, 2025. ([more detail](#))

BoE · Consultation on the discontinuation of the BN form for building societies' balance sheets

10/09 · Reporting · Sustainability

The Bank of England (BoE) has published a consultation with significant proposals regarding statistical reporting to the BoE. In particular, it proposes to discontinue the collection and publication of data from the BN form (business with non-residents), which currently provides a detailed sectoral breakdown of transactions with non-residents carried out by UK monetary financial institutions (MFIs). If the proposal is confirmed, the final reference

period for BN form data will be April 2026, with publication scheduled for May 2026. The affected data series are listed in Table B2.5.1 of the Bank's Interactive Database (IADB). [\(more detail\)](#)

BoE · Policy statement on MiFID Org Reg

10/09 · Market & ALM

The Bank of England (BoE) has published the policy statement (PS) on the Organizational Regulation of the Markets in Financial Instruments Directive (MiFID Org Reg). This document addresses the organizational regulations necessary to comply with the directive and sets out clear guidelines for financial institutions. Institutions are expected to implement these regulations before the established deadline. The new rules and technical standards are expected to come into force on October 23, 2025, subject to the repeal of the MiFID Org Reg. [\(more detail\)](#)

FCA · Transposition into national law of the organizational requirements for MiFID companies

10/09 · Market & ALM

The Financial Conduct Authority (FCA) has published the policy statement (PS) summarizing the feedback received on the consultation paper (CP) 24/24 and Chapter 4 of CP 24/11 and sets out our final rules for transferring the firm-focused requirements of the Markets in Financial Instruments Directive (MiFID) Organisational Regulation to the FCA Handbook rules. The rules come into force on October 23, 2025. [\(more detail\)](#)

UK GOV · Policy paper on the tax treatment of exchange-traded crypto asset notes (ETNs)

10/08 · Market & ALM

The UK government has published a policy paper (PP) on the tax treatment of ETNs, in the context of recent access by retail investors to this type of product following the Financial Conduct Authority's (FCA) decision to allow their marketing. The document clarifies that returns generated by crypto asset ETNs will be subject to the same tax treatment as other similar financial products, such as capital gains or income, as applicable. It also provides guidance on how this income should be reported on UK tax returns. [\(more detail\)](#)

FCA · Consultation on fund tokenisation and direct dealing models

13/10 · AAMM + Private Banking

The Financial Conduct Authority (FCA) has published consultation paper (CP) 25/28, addressing fund tokenisation and the implementation of direct dealing models. Fund tokenisation involves representing traditional financial assets, such as fund shares, with digital tokens on a blockchain or distributed ledger technology (DLT), enabling faster, more transparent, and accessible transactions. Proposals in the consultation include guidance for operating tokenised funds under the Blueprint model, the introduction of an optional direct dealing model for conventional and tokenised authorised funds, and a roadmap to advance fund tokenisation. The FCA is seeking feedback on the proposals by 21 November 2025 for chapters 2 to 4 and by 12 December 2025 for chapter 5. [\(more detail\)](#)

PRA · Reform of remuneration rules in the financial sector

15/10 · Operational risk · Compliance

The Prudential Regulation Authority (PRA) has published Policy Statement (PS) 21/25, introducing reforms to remuneration rules to enhance proportionality and competitiveness in the financial sector. Key changes include raising the threshold for the 60% deferral of variable remuneration from £500,000 to £660,000. [\(more detail\)](#)

FCA · Simplification of capital definition for investment firms

15/10 · Capital · AAMM + Private Banking

The Financial Conduct Authority (FCA) has published policy statement (PS) 25/14, which sets out new rules to simplify and consolidate the definition of regulatory capital for investment firms under the third Prudential Reference Manual for MiFID investment firms (MIFIDPRU 3). These amendments remove references to the UK Capital Requirements Regulation (UK CRR) and create a separate framework tailored to investment firms. The changes do not alter the capital levels required or the capital structure of firms, but seek to reduce complexity and remove provisions designed for banks that are not relevant to investment firms. The new rules will come into force on April 1, 2026. [\(more detail\)](#)

FRC · Update to proportionality Guidance for actuaries

10/17 · Conduct

The Financial Reporting Council (FRC) has issued an updated version of its technical actuarial Guidance on proportionality to assist actuaries in applying the Technical Actuarial Standards (TASs) in a proportionate and outcome-driven manner. The revised guidance includes new examples focused on general insurance pricing, illustrating the use of streamlined documentation and communication to efficiently deliver quality work within tight time constraints. This update follows feedback received during the TAS 200 consultation, where stakeholders indicated the value of further proportionality guidance concerning general insurance pricing. [\(more detail\)](#)

HM Treasury · Reform of the anti-money laundering and counter-terrorism financing supervision regime

10/21 · Anti-money laundering

His Majesty's Treasury has responded to the 2023 public consultation on reforming the anti-money laundering and counter-terrorism financing (AML/CTF) supervision regime. The response confirms the decision to consolidate supervision of certain professional sectors under the Financial Conduct Authority (FCA), which will take over

supervision of legal, accounting, and trust and company service providers. This measure aims to simplify the regulatory system, improve coordination with law enforcement, and strengthen the United Kingdom's (UK) defense against economic crime. Implementation of this reform is scheduled for the end of 2025. ([more detail](#))

FRC · Public consultation on Audit Enforcement Procedure revisions

10/22 · Compliance and conduct

The Financial Reporting Council (FRC) has launched a public consultation on proposed updates to its Audit Enforcement Procedure (AEP) as part of a comprehensive review of its regulatory processes. The review seeks to enhance the FRC's tools to provide proportionate and timely responses to various types of audit failures. The public consultation consists of roundtable discussions to gather stakeholder views, the final one being held on November 20, 2025. ([more detail](#))

PRA · Policy statement about the update on the Matching Adjustment Investment Accelerator framework

10/23 · Compliance and conduct

The Prudential Regulation Authority has published the Policy Statement (PS) on the Matching Adjustment Investment Accelerator (MAIA), following consultation paper (CP) 7/25. The PRA reviewed responses and confirmed that the MAIA allows insurers with Matching Adjustment (MA) to include investments that support capital efficiency and productive investment in the United Kingdom (UK). The PRA clarifies eligibility criteria, documentation requirements, and approval processes and provides guidance on ongoing supervision of eligible funds and the implementation of investments. ([more detail](#))

DEFRA · Consultation about the exemptions reform to the environmental permitting regulations

10/27 · Sustainability

The Department for Environment, Food & Rural Affairs (DEFRA) and the Welsh Government have launched a consultation on reforms to exemptions under the Environmental Permitting Regulations 2016 in England and Wales. The proposals aim to give the Environment Agency (EA) and Natural Resources Wales (NRW) enhanced powers to create, amend or remove types of exempt facilities and activities in sectors such as waste operations, water discharges, groundwater and flood risk. Proposed safeguards will ensure regulatory transparency and accountability. Changes will be introduced throughout 2026 for England, and after the Senedd elections in 2026 for Wales. ([more detail](#))

FCA · Public consultation on changes to the rules governing short selling of financial instruments

10/28 · Market & ALM

The Financial Conduct Authority (FCA) has published a consultation paper on its proposed rules and guidance for short selling activity. It proposes revisions to create a more efficient and coherent short-selling framework while ensuring sufficient visibility and controls. The changes aim to remove disproportionate burdens on firms and enhance the competitiveness of United Kingdom (UK) financial markets. The consultation is open until 16 December 2025. ([more detail](#))

BoE · Policy Statement on the restatement of CRR and Solvency II requirements

10/28 · Capital, liquidity and leverage

The Bank of England (BoE) has issued Policy Statement (PS) on the restatement of the Capital Requirements Regulation (CRR) and Solvency II Directive requirements in the Prudential Regulation Authority (PRA) Rulebook, without substantive policy changes but including enhancements for clarity and proportionality. The adjustments include clarifications on technical definitions, drafting of prudential capital requirements, and cross-references to facilitate understanding of regulatory obligations. The main objective of this restructuring is to enhance the accessibility and applicability of existing regulations, ensuring that regulated entities can comply with capital requirements more clearly and efficiently, without altering the level of prudential protection. These amendments will come into effect on 1 January 2026. ([more detail](#))

PRA · Framework on the simplified capital regime for Small Domestic Deposit Takers

10/28 · Capital, liquidity and leverage

The Prudential Regulation Authority (PRA) has introduced the framework for the simplified capital regime targeted at Small Domestic Deposit Takers (SDDTs). The paper proposes that eligible firms apply the Basel 3.1 standard with substantial simplifications in credit risk, operational risk and market risk approaches, and introduces a single, more predictable capital buffer. The regime is proposed to take effect on 1 January 2027, with a modification by consent mechanism allowing firms to opt into the SDDT regime. ([more detail](#))

PRA · Methodologies for setting Pillar 2 capital

10/28 · Capital, liquidity and leverage

The Prudential Regulation Authority (PRA) has published guidance on the methodologies for setting Pillar 2 capital requirements, applicable to United Kingdom (UK)-supervised banks and insurers. The guidance outlines how the PRA assesses credit, market, operational, concentration, counterparty, interest-rate-in-the-banking-book and pension risks, and how Pillar 2B buffers are determined for group and contingent risks. Pillar 2B is an additional capital buffer designed to absorb losses in severe scenarios and ensure that institutions maintain adequate capital levels beyond the regulatory minimum. The methodology will come into effect on July 1, 2026. ([more detail](#))

PRA · Supervisory Statement about ICAAP Process and SREP Review

10/28 · Capital, liquidity and leverage

The Prudential Regulation Authority (PRA) has published a Supervisory Statement (SS) on the Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP). The statement sets expectations that firms subject to the Capital Requirements Directive (CRD IV) must continuously assess the risks they face, perform stress testing, scenario analysis and submit to a supervisory review that considers governance, business model, internal capital and resource quality. Firms are expected to document and update the ICAAP annually and embed it into senior management decision-making. ([more detail](#))

PRA • Political Statement on retiring the refined methodology to Pillar 2A

10/28 • Capital, liquidity and leverage

The Prudential Regulation Authority (PRA) has published the policy statement (PS) on retiring the refined methodology for Pillar 2A, an internal-models-based approach used by supervised firms to estimate capital requirements with greater risk sensitivity, covering credit, market, counterparty and operational risks. Pillar 2A sets institution-specific capital requirements in addition to the regulatory minimum and Pillar 1. The retirement will take effect on 1 January 2027, while minor clarifications for interest-rate risk in the banking book (IRRBB) and pension-obligation risk will take effect on 1 July 2026. ([more detail](#))

FRC • Final Guidance for reporting under the UK Stewardship Code 2026

10/30 • Reporting

The Financial Reporting Council (FRC) has published the final Guidance for reporting under the United Kingdom (UK) Stewardship Code 2026, following stakeholder feedback on the draft version. The Guidance is voluntary and non-prescriptive and it provides suggestions on the kinds of information organisations may wish to include to explain their stewardship approach and to support long-term sustainable value creation for clients and beneficiaries. ([more detail](#))

BoE • Berne Financial Services Agreement Guidelines

11/03 • Compliance and conduct

The Bank of England (BoE) has published the Guidelines on the implementation of the Berne Financial Services Agreement (BFSA). The agreement between the United Kingdom (UK) and Switzerland establishes an outcomes-based mutual recognition framework, in other words, each country accepts that the other's regulatory framework achieves equivalent regulatory results, even if the specific means or rules are different. The guidelines set out the scope and sectors covered by the agreement, the eligibility criteria for Swiss firms seeking to operate in the UK and for UK firms seeking to operate in Switzerland, and the notification and registration procedures to be followed. They also outline the transparency and reporting obligations applicable to firms operating under the BFSA. The agreement will enter into force on 1 January 2026, following legislative ratification in both countries. ([more detail](#))

FCA • Consultation paper regarding simplification of the UK EMIR intragroup regime

11/05 • Market & ALM

The Financial Conduct Authority (FCA) has published a consultation proposing a clearer and more proportionate framework for intragroup exemptions from clearing and margining under United Kingdom (UK) European Market Infrastructure Regulation (EMIR). Intragroup exemptions allow financial entities within the same corporate group to avoid clearing trades through external central counterparties, provided they manage the risks internally. The consultation responds to industry feedback on the complexity of the current Temporary Intragroup Exemption Regime (TIGER), which expires on 31 December 2026. Feedback may be submitted until 16 January 2026. ([more detail](#))

BoE • Draft questions and answers on derivatives reporting requirements according to EMIR

11/06 • Reporting • Market and ALM

The Bank of England (BoE) has published additional Questions and Answers (Q&As) on derivatives reporting requirements under the UK European Market Infrastructure Regulation (UK EMIR). The consultation aims to clarify the practical application of the reporting framework and ensure the consistency, accuracy, and timeliness of data submitted to trade repositories. The Q&As provide technical guidance on issues such as the use of International Securities Identification Numbers (ISINs) when official identifiers are not available, the reporting of Foreign Exchange (FX) swap contracts, and the treatment of the different components of such transactions. The proposal strengthens alignment with international derivative reporting standards and clarifies the division of responsibilities between the BoE, which oversees central counterparties (CCPs), and the Financial Conduct Authority (FCA), which regulates other counterparties and trade repositories. The consultation opened on 8 August 2025 and closed on 12 September 2025, with the final Q&As published on 31 October 2025. ([more detail](#))

FRC • Discussion paper on future technical development of digital reporting taxonomies

11/07 • Reporting • Technology

The Financial Reporting Council (FRC) has published a discussion paper that focuses on the future technical development of the United Kingdom (UK) digital reporting taxonomies. The proposed architectural changes aim to enhance usability, scalability and technical integrity of the UK XBRL Taxonomy suite, including: i) replacing fixed item types with extensible enumerations; ii) introducing formula linkbases for automated validation and improved data quality; iii) expanding the use of typed dimensions for greater flexibility; iv) preventing cross-entry-point element usage; v) considering specific entry points for micro-entity and small company filings; vi) adopting accounting semantics arcs to enhance clarity and comparability; and digitising receipts and vii) payments accounts for charities. The paper seeks feedback by 11 January 2026. ([more detail](#))

BoE · Consultation on regulating systemic stablecoins

11/11 · Cryptoassets

The Bank of England (BoE) has published a new Circular to replace Circular 1/2013, consolidating all twelve amendments made since 2013 into a single, clearer regulatory framework for the CIR while strengthening legal certainty. The key changes include: i) removing Annexes 1 and 2 from the Circular and relocating them to more adaptable technical applications; ii) introducing clarifications to simplify procedures and reflect current operational practices; iii) explicitly requiring legal persons to communicate electronically with the CIR; and iv) implementing two major operational adjustments effective 2 January 2027; bringing forward monthly data submissions to day 7 and lowering the individual reporting threshold from €6,000 to €1,000. Stakeholders are invited to submit feedback by 10 February 2026. ([more detail](#))

BoE · Amendment to the retail deposits threshold for application of the requirement

11/12 · Capital, liquidity and leverage

The Bank of England (BoE) has published Policy Statement (PS) PS22/25, which addresses changes to the retail deposits threshold for the application of the leverage ratio requirement. This statement establishes that the threshold will be adjusted to better reflect market developments and the financial situation of institutions. These changes are expected to enhance the resilience of the financial system and provide greater clarity to institutions regarding their regulatory requirements. ([more detail](#))

FRC · International Standard on Sustainability Assurance on general requirements for sustainability assurance engagements

11/12 · Reporting · Sustainability

The Financial Reporting Council (FRC) has issued the International Standard on Sustainability Assurance (ISSA) 5000 on general requirements for sustainability assurance engagements, for voluntary use in the United Kingdom (UK). The standard aims to ensure the quality and consistency of assurance on sustainability reporting. It aligns with the global benchmark developed by the International Auditing and Assurance Standards Board (IAASB) and applies to both limited and reasonable assurance engagements. With this release, the FRC reinforces its commitment to globally aligned frameworks, seeks to improve the credibility of sustainability reports and supports investment decisions in sustainable finance. It will apply to sustainability assurance engagements covering periods starting on or after 15 December 2026. ([more detail](#))

FCA · Proposals to make ESG ratings transparent, reliable and comparable

12/01 · Sustainability

The Financial Conduct Authority (FCA) has published proposals to ensure that environmental, social and governance (ESG) ratings are transparent, reliable and comparable. The proposals aim to address concerns around how ESG ratings are built and how transparent they are, focusing on increased transparency, improved governance, systems and controls, identification and management of conflicts of interest, and clear expectations for stakeholder engagement and complaints handling. The FCA welcomes feedback on the proposals so the consultation is open until 31 March 2026. Final rules are expected in Q4 2026, with the new regime coming into effect from June 2028. ([more detail](#))

BoE · Reduction of Tier 1 capital requirement for British banks

12/02 · Capital, liquidity and leverage

Bank of England (BoE) Governor has given a significant boost to British banks by lowering the standard Tier 1 capital requirement from 14% to 13% of risk-weighted assets. This cut frees up around 30,000 million pounds that banks will be able to use to increase credit and, therefore, their profits. For banks, this move could translate into more than 1.6 billion additional pounds of annual profits. The Financial Policy Committee will also review leverage ratios and requirements linked to domestic exposures, marking the first aggregate regulatory easing in this area. Although some bankers wanted a larger reduction in the countercyclical buffer, the direction of change is clear. ([more detail](#))

PRA · Supervisory statement on enhancing banks' and insurers' approaches to managing climate-related risks

12/03 · ESG risks

The Prudential Regulation Authority (PRA) has issued Supervisory Statement (SS) 4/25 to enhance banks' and insurers' approaches to managing climate-related risks. The statement outlines the PRA's expectations for firms to build the necessary capabilities and resilience to effectively manage these risks, which can arise through various transmission channels and present unique challenges requiring a strategic management approach. The statement covers supervisory expectations related to governance, risk management, climate scenario analysis, data, and disclosures, with proportionate application for firms. ([more detail](#))

PRA · Policy Statement which updates Supervisory Statement (SS) 3/19

12/03 · Sustainability

The Prudential Regulation Authority has issued Policy Statement (PS) 25/25, updating Supervisory Statement SS 3/19 to strengthen and clarify expectations on how banks and insurers should identify, measure and manage physical and transition risks arising from climate change. The PS introduces a more explicit proportionality framework, provides flexibility in governance arrangements, expands guidance on climate scenario analysis and clarifies expectations on data, uncertainty and the use of proxies. It also sets out sector-specific guidance for ICAAP, ILAAP and insurers' prudential frameworks. PS 25/25 took effect on 3 December 2025 and during the following six months, firms must conduct a self-assessment of their level of compliance, identify gaps and develop a credible plan to address them. ([more detail](#))

BoE · Launch of the systemic exploratory scenario on risks in private markets

12/04 · Supervisory expectations

El Bank of England (BoE) has launched its second system-wide exploratory scenario (SWES) focused on how the private markets ecosystem performs under stress and the implications for United Kingdom financial stability and the real economy. The exercise will study the reactions of banks and non-bank financial institutions (NBFIs) active in private equity and private credit, across two rounds designed to capture system-wide interactions. Participants include large banks, asset managers and institutional investors. As next steps, most work will take place in 2026, with a final report published in early 2027. ([more detail](#))

PRA · Consultation on reporting and disclosure requirements under the Solvency regime

12/04 · Reporting

The Bank of England Prudential Regulation Authority (PRA) has proposed minor amendments to UK Solvency II reporting and disclosure requirements. The key changes aim to improve data quality and clarity, address firm feedback, and resolve inconsistencies. Proposals include updates to non-life templates, introduction of projected FSCS liabilities reporting for third-country branches, and transfer of MALIR templates to XBRL format. The PRA considers these changes will advance its objectives of promoting firm safety and soundness, and securing policyholder protection. ([more detail](#))

FCA · Policy Statement 25/21 simplifying insurance rules

12/09 · Regulatory Compliance

The Financial Conduct Authority (FCA) has published Policy Statement 25/21 to simplify insurance and funeral plan requirements while maintaining an appropriate level of consumer protection. The key changes include: i) clarifying which rules apply to commercial insurance; ii) allowing a lead firm to take responsibility for product design and approval; iii) extending the scope of the bespoke contracts exclusion; iv) allowing firms to determine the frequency of product reviews; v) removing notification and reporting requirements for employers' liability insurance; and vi) removing the minimum requirement of 15 hours of continuing professional development for staff. These changes are optional and provide firms with greater flexibility. The FCA will consult on the non-application of certain consumer obligations to non-UK firms and will review key Handbook definitions to improve consistency in 2026. In addition, it will assess data submitted by firms in early 2026 with a view to possible further reporting simplifications, particularly in relation to general insurance pricing statements. ([more detail](#))

BoE · Results report of the 2025 CCP stress test

12/09 · Risk and Capital

The Bank of England (BoE) has published the results of its 2025 stress test of central counterparties (CCPs). The report confirms that United Kingdom (UK) CCPs have sufficient pre-funded resources to absorb losses in an extreme but plausible market stress scenario, including the simultaneous default of multiple members. The Bank will use the findings to support its ongoing supervision and regulation of UK CCPs. The next public exercise will take place in 2027. ([more detail](#))

FCA · Consultation paper on enhancing fund liquidity risk management

12/09 · Structural risks

The Financial Conduct Authority (FCA) has published a consultation paper on new rules and guidance to enhance fund liquidity risk management, particularly for open-ended Undertakings for Collective Investment in Transferable Securities (UCITS) schemes and non-UCITS retail schemes (NURS). The key proposals are to require all authorized fund managers (AFMs) to have anti-dilution tools available, provide guidance on their effective use, remove presumptions about the liquidity of certain assets, and strengthen liquidity risk management practices. These changes aim to protect investors, promote orderly markets, and improve the resilience of UK funds. Consultation closes on February 23, 2026. ([more detail](#))

FCA · Roadmap for the mortgage rules review and modernising the market

12/15 · Credit · Conduct

The Financial Conduct Authority (FCA) has published the Feedback Statement (FS) 25/6 on the review of mortgage rules, responding to the Discussion Paper (DP) 25/2 and setting out a roadmap to simplify regulations and support sustainable home ownership. The plan groups actions under four pillars: expanding access for first-time buyers and underserved groups; strengthening lending in later stages of life; enabling innovation; and protecting vulnerable consumers. It also includes an indicative timetable for future consultations. The FCA expects to move forward with proposals on access in 2026 and to publish the terms of reference for a study in the first quarter of 2026. ([more detail](#))

FCA · Engagement on market risk capital requirements for investment firms

12/16 · Market · Risk and Capital

The Financial Conduct Authority (FCA) has published an engagement paper on market risk capital requirements for FCA-regulated investment firms. The paper explores potential approaches to adapting the current capital framework, which is largely based on the UK Capital Requirements Regulation (CRR), to better reflect the risk profile of investment firms. The aim is to encourage wholesale trading, improve market liquidity and reduce barriers to entry for specialised trading firms. The paper is addressed to investment firms authorised to deal on own account and manage a trading book. Feedback on the engagement paper is requested by 10 February 2026. ([more detail](#))

FCA · Consultations on cryptoasset regulation in UK

12/16 · Crypto-Assets

The Financial Conduct Authority (FCA) has published three consultation papers setting out the UK's proposed cryptoasset regulatory framework. The proposals cover (i) rules and guidance for regulated cryptoasset activities, including operating trading platforms and providing related services; (ii) an admissions and disclosures regime for public offers and admission to trading, alongside a market abuse regime to address misconduct such as

insider dealing and market manipulation; and (iii) a prudential regime with capital, risk management and prudential disclosure requirements for firms that will need authorisation. The consultation deadline is 12 February 2026, and the FCA intends to publish final rules and guidance in 2026. ([more detail](#))

Other publications of interest

American Region

US

OCC · Notice of proposed rulemaking to amend community bank licensing requirements

10/06 · Compliance and conduct

The Office of the Comptroller of the Currency (OCC) has published a notice of proposed rulemaking to amend its regulations and simplify licensing requirements for corporate activities and transactions involving national banks and federal savings associations with less than \$30 billion in total assets that meet certain conditions. The deadline for submitting comments is November 5, 2025. ([more detail](#))

OCC · Clarification on model risk management for community banks

10/06 · Other risks

The Office of the Comptroller of the Currency (OCC) has published a clarification on model risk management for community banks. In the clarification, the OCC emphasizes flexibility for community banks to adapt their model risk management practices. Guidelines are provided to help banks comply with regulatory requirements while managing their risks effectively. ([more detail](#))

FDIC · Proposed regulation focused on the supervision of material financial risks

10/07 · Risks & capital

The Federal Deposit Insurance Corporation (FDIC) has published a proposed rule focused on the supervision of material financial risks. The proposal aims to strengthen the oversight of financial institutions to address risks that could affect the stability of the financial system. The deadline for submitting comments is 7 December 2025. ([more detail](#))

FDIC · Withdrawal of principles for climate-related financial risk

16/10 · Sustainability

The Office of the Comptroller of the Currency (OCC), the Federal Reserve (Fed) and the Federal Deposit Insurance Corporation (FDIC) have announced the immediate withdrawal of the principles for climate-related financial risk management for large financial institutions, issued in October 2023. The decision is based on the assessment that existing safety and soundness standards already require institutions to effectively manage all material financial risks, including emerging ones like climate-related risks. The agencies believe that climate-specific principles could detract from managing other significant risks and are unnecessary to maintain financial stability. ([more detail](#))

FRB · Public consultation on enhancements to the stress-testing framework and scenarios

10/24 · Capital, liquidity and leverage

The Board of Governors of the Federal Reserve System (FRB) has published a public consultation seeking comments on proposals aimed at improving the transparency and accountability of its annual stress test. The proposals address test models, potential changes to the framework guiding the design of hypothetical scenarios, and the projected scenarios for the 2026 tests. They also include improvements to the disclosure process, adjustments to the annual timeline to incorporate a comment period on the scenarios, and modifications to the reporting forms to reduce the regulatory burden and improve risk capture. Comments on the projected 2026 scenarios are due by 1 December 2025, while feedback on the other proposed adjustments is due by 22 January 2026. ([more detail](#))

OCC · Public consultation on proposed rescission of recovery planning guidelines

10/27 · Recovery and resolution

The Office of the Comptroller of the Currency (OCC) has open a public consultation on its proposal to rescind the recovery planning guidelines that took effect on January 1, 2025 and applied to large insured national banks, federal savings associations and federal branches with at least USD 100 billion in assets. The OCC states that these institutions are expected to maintain adequate risk-management processes on an ongoing basis and that removing prescriptive requirements aligns with its efforts to eliminate unnecessary regulatory burden. The comment period end on November 27, 2025. ([more detail](#))

FDIC · Consultation on the removal of reputational risk factor in bank supervision

10/30 · Reputational

The Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) have issued a notice of proposed rulemaking to codify the removal of reputational risk as a standalone basis for supervisory action. The draft rule prohibits agencies from criticizing, instructing or encouraging the termination of relationships or services solely on the basis of reputation risk, including lawful business activities or protected speech. The comment period closes on 29 December 2025. ([more detail](#))

FRB · Update to the LFI rating system and the ISF

11/05 · Supervisory expectations

The Federal Reserve Board (FRB) has issued a final notice updating two supervisory frameworks. The Large Financial Institution (LFI) rating system and the Insurance Supervisory Framework (ISF). The notice clarifies how a firm may be considered well managed, explains when supervisory actions may be taken, and streamlines

references and definitions within the ISF. Overall, the updates aim to provide greater clarity, consistency, and predictability in supervisory assessments. The measure will take effect 60 days after publication in the Federal Register. ([more detail](#))

FASB • Amendment on guidance on purchased loans

11/12 • Capital, liquidity and leverage • Accounting

The Financial Accounting Standards Board (FASB) has improved the Guidance on purchased loans, providing clarity on the accounting treatment of these assets. The update aims to facilitate the assessment of the credit quality of purchased loans and their impact on financial statements. Additionally, these improvements are expected to help institutions apply the related accounting standards more consistently. ([more detail](#))

FDIC • Rescission of the principles on climate-related financial risk management

11/18 • Sustainability

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FED) and the Federal Deposit Insurance Corporation (FDIC) have rescinded the principles for climate-related financial risk management for large financial institutions, which applied to firms with over US\$100 billion in consolidated assets. The agencies state their existing safety-and-soundness standards already require institutions to address all material risks and argue the principles may distract from other priorities. The revocation notice clarifies that no new obligations are created and no requirements under the Paperwork Reduction Act are modified, and furthermore, it takes effect immediately on the date of its publication. ([more detail](#))

OCC • Additional actions to support community banks and reduce regulatory burden geography

11/24 • Anti money laundering

The Office of the Comptroller of the Currency (OCC) has announced supervisory and regulatory actions to reduce burden for community banks and strengthen their service as drivers of economic growth. The OCC is issuing supplemental guidance that tailors the application of the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) examination procedures for community banks based on their generally low levels of money laundering and terrorist financing risk. Additionally, the OCC issued a request for information to better understand the challenges faced by community banks. The OCC's work to prioritize community bank reforms is ongoing and includes work on a proposal to reduce the community bank leverage ratio requirement that will be announced soon. ([more detail](#))

OCC • Final rule to modify certain regulatory capital standards

11/25 • Capital, liquidity and leverage

The Office of the Comptroller of the Currency (OCC), the Federal Reserve (FED), and the Federal Deposit Insurance Corporation (FDIC) have published the final rule amending certain capital standards applicable to global systemically important banks (GSIBs). The rule adjusts the enhanced supplementary leverage ratio (eSLR) standard in order to reduce its restrictive nature and improve capital allocation in low-risk activities, redefining the calibration of the requirement for holding companies and redesigning its application for depository institutions. The rule introduces related technical changes to the total loss-absorbing capacity (TLAC) and long-term debt (LTD) requirements to achieve consistency with the new eSLR, without modifying their overall thresholds. The final rule will be applicable from April 1, 2026, with early adoption permitted from January 1, 2026. ([more detail](#))

OCC • Proposal to enhance community banks' ability to serve their communities while maintaining strong capital requirements

11/25 • Capital, liquidity and leverage

The Office of the Comptroller of the Currency (OCC), along with the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve Board (FRB), has proposed changes to the community bank leverage ratio (CBLR) framework. The proposal would reduce the CBLR requirement from 9% to 8% and extend the grace period for qualifying community banking organizations that do not meet the requirements from 2 quarters to 4 quarters, with a maximum of 8 quarters over a five-year period. These modifications aim to reduce regulatory burden and provide greater flexibility in capital management. The OCC allows sending comments about the proposal until January 25, 2026. ([more detail](#))

FASB • Update to the accounting standard on improvements to hedge accounting

11/25 • Accounting

The Financial Accounting Standards Board (FASB) has issued a new Accounting Standards Update (ASU) aimed at improving hedge accounting guidance. The update proposes increasing the range of eligible hedging relationships that can be treated as economically effective, even in complex scenarios following reference rate reform including variable-rate debt instruments, forecasted nonfinancial-asset transactions, groups of forecasted transactions, and compound derivatives. It also introduces more flexible criteria for assessing similar risk for cash flow hedges, easing the aggregation of forecasted transactions under a single hedge. The aim is to better align accounting with firms' actual risk-management activities, reduce unintended dedesignation events, and enhance the decision-usefulness of financial reports for investors. ([more detail](#))

FRB • 2026 pricing update for payment services

12/04 • Transactional Banking

The Federal Reserve Board (FRB) has announced the prices for payment services that FRB offer to banks and credit unions, including check clearing, instant payments, and wholesale payment and settlement services. Under the law, these fees must cover the actual and imputed costs of providing the service. By 2026, the FRB expects to recover 108% of those costs, including a return on capital comparable to that of the private sector. Overall, the changes represent an average increase of 0.9% for established services. It will take effect on January 1, 2026. ([more detail](#))

SEC · Final technical amendments to correct and update securities market disclosure rules and forms

12/16 · Regulatory Compliance

The Securities and Exchange Commission (SEC) has adopted a final rule of technical amendments to various Commission rules and forms under the Securities Act of 1933, the Investment Company Act of 1940, and Form N-CEN. The amendments are intended to correct errors, update outdated references, and remove obsolete requirements rendered moot by later regulatory actions. For example, the rule updates the definition of "exchange-traded fund" in Rule 498 and corrects erroneous or outdated cross-references in rules under the Investment Company Act and in Form N-CEN. These changes are technical in nature and do not introduce substantive policy changes or new compliance obligations for market participants. ([more detail](#))

Argentina**BCRA · Regulation of the national payment system and electronic payment methods**

14/10 · Transactional Banking

The Central Bank of the Argentine Republic (BCRA) issued a Communication to regulate the National Payment System (SINAP) and Electronic Payment Methods (MEP). The aim is to strengthen electronic payment infrastructure, enhance transaction efficiency and security, and promote payment digitization in Argentina. These measures seek to improve access and financial inclusion for users and institutions. ([more detail](#))

BCRA · Update of the monthly accounting informative regime and adjustment of minimum capital requirements

13/10 · Accounting · Capital

The Central Bank of the Argentine Republic (BCRA) has issued a Communication introducing adjustments to the Monthly Accounting Informative Regime (R.I.-C.M.) and minimum capital requirements for financial institutions. These modifications aim to optimize the supervision and regulation of the financial system, adapting to current market conditions. ([more detail](#))

BCRA · Communication on the classification of financial institutions and limits on minimum capital requirements for credit risk

12/11 · Credit

The Central Bank of the Republic of Argentina (BCRA) has published a communication redefining the classification of financial institutions into Groups A and B as from 1 January 2026, based on their relative weight in the financial system, and removing previous criteria under the framework on authorities. Newly established institutions will initially be classified as Group B until sufficient information is available. In addition, the limits on minimum capital requirements are amended by introducing differentiated caps for Group A and Group B institutions, with further reductions depending on the supervisory rating. Reclassified institutions will be required to apply the new minimum cash reserve requirements as from January 2026 and, as from July 2026, the rules on the separation of executive and management functions. ([more detail](#))

Brazil**ANBIMA · Best practices guide for Artificial Intelligence governance in the financial market**

10/10 · Artificial Intelligence

The Brazilian Association of Financial and Capital Markets Entities (ANBIMA) has published the guide AI governance: integrating best practices throughout the Artificial Intelligence lifecycle. This document expands upon previous guidelines on the ethical, secure, and responsible use of artificial intelligence in the financial sector, addressing all stages of the AI system lifecycle, from development to decommissioning. The guide provides practical measures for the development, use, and monitoring phases, and includes a summary of recommended actions for each phase. ([more detail](#))

ANBIMA · Submission of segregated investment fund fees

13/10 · Reporting

The Brazilian Association of Financial and Capital Markets Entities (ANBIMA) has extended until March 31, 2026, the deadline for investment funds established before November 3, 2025, to submit the segregated remuneration fees of their service providers. This measure aims to ensure an orderly transition to the new HUB ANBIMA module, which will replace the current remuneration summary published on fund managers' websites. ([more detail](#))

SUSEP · Public consultation on the insurance portfolio transfer regulation

14/10 · Compliance

The Superintendência de Seguros Privados (SUSEP) has launched a public consultation to gather feedback on a new resolution regulating the total or partial transfer of insurance portfolios among insurance companies, capitalization societies, insurance cooperatives, open supplementary pension entities, and local reinsurers in Brazil. This initiative aims to establish clear guidelines on the effects of such transfers on insurance plans, ensuring transparency and protection for policyholders. Interested parties can submit their comments until November 13, 2025. ([more detail](#))

BCB · Accounting criteria for the recognition of sustainability assets and liabilities

10/21 · Reporting · Sustainability · Accounting

The Central Bank of Brazil (BCB) has adopted the resolution which defines the accounting concepts and criteria for the recognition, measurement, derecognition, and disclosure of sustainability assets and liabilities by

consortium administrators, payment institutions, broker-dealers, securities distributors, and authorized foreign exchange companies. The rule defines sustainability assets and liabilities as non-financial elements related to social, environmental, or climate objectives and introduces specific disclosure requirements in explanatory notes. The resolution will enter into force on January 1, 2027. [\(more detail\)](#)

BCB · Public consultation on the prudential treatment of virtual assets and tokens

10/29 · Cryptoassets · Capital, liquidity and leverage

The Central Bank of Brazil (BCB) has launched a public consultation on draft resolutions of the National Monetary Council (CMN) and the BCB setting out prudential criteria for the classification and treatment of exposures to virtual assets and tokens by financial institutions. The proposal integrates these exposures into the calculation of risk-weighted assets (RWA) and the Liquidity Coverage Ratio (LCR), and includes them within the comprehensive risk management framework. It also broadens the scope beyond the legal definition of virtual asset to cover utility tokens, financial tokens, and tokens representing movable and immovable assets. The prudential approach follows the Basel Committee on Banking Supervision (BCBS) classification, subgroups 1A, 1B, 2A and 2B, and prohibits operations with such assets for Segment 5 (S5) and Type 2 institutions. Comments may be submitted until 30 January 2026. The framework will take effect on 1 January 2027, with the exception of the beginning of RWA calculations and reporting starting on 1 July 2026. [\(more detail\)](#)

BCB · Circular on the methodology for determining the minimum share capital

11/03 · Compliance and conduct · Capital, liquidity and leverage

The Bank of Brazil (BCB) has issued a circular which establishes a new methodology for determining the minimum threshold of paid-in share capital and net equity for financial institutions and other entities authorised to operate by the BCB. This resolution shifts the regulatory focus as it moves away from being solely institution-type based and instead is grounded in the actual activities carried out, considering two components in the calculation, a cost component and an activities component. Moreover, the resolution sets a capital surcharge for institutions that use the term bank or its equivalent in their name. A transition regime is also provided for institutions already operating; until June 30, 2026 they must maintain the previous minimum; from July 1, 2026 to December 31, 2027 they must progressively apply the gap between the new and prior thresholds; from January 1, 2028 onwards the new threshold must be met in full. [\(more detail\)](#)

FEBRABAN · Guide to good practices in financial education for the Brazilian banking sector

11/03 · Compliance and conduct

The Brazilian Federation of Banks (FEBRABAN) has launched the Guide of good practices for financial education in the Brazilian banking sector, which systematises experiences of financial institutions across the country and presents lessons and challenges to promote the financial health of the population. The document gathers 20 outstanding initiatives selected from 38 practices identified among member banks. It emphasises the role of the banking sector as an economic and social development agent, and states that financial education is a shared responsibility between banks, regulators, consumer protection bodies, sector organisations and civil society. The Guide reviews regulatory progress and compiles lessons such as the impact of content personalisation, the use of gamified resources and cross-sector partnerships. [\(more detail\)](#)

BCB · Public consultation on a regulatory proposal launching the second phase of the GRSAC Report

11/04 · Reporting · Sustainability

The Central Bank of Brazil (BCB) has launched a public consultation on a draft regulation initiating the second phase of the Social, Environmental and Climate Risk Report (GRSAC). The requirements vary according to the BCB's prudential segmentation (S1 to S4), based on each institution's size, complexity and systemic relevance. Key elements include: i) expanding the report's scope with new standardised tables containing quantitative data on social, environmental and climate-related metrics and targets; ii) revising qualitative requirements to reinforce governance, strategy, risk management and transition plans; iii) adding new risk categories; and iv) differentiating treatment by type of disclosure, keeping business-opportunity tables optional but making voluntary-commitment disclosures mandatory for signatory institutions. The public consultation will remain open until 13 February 2026, and the new resolution will enter into force on 1 January 2027 for S1 and S2 institutions, with S3 and S4 entities required to comply from 31 December 2028. [\(more detail\)](#)

BCB · Public consultation on regulatory requirements on reports about social, environmental and climate risks and opportunities.

11/06 · Reporting · Sustainability

The Central Bank of Brazil (BCB) has launched a public consultation to update the disclosure requirements of the social, environmental, and climate risks and opportunities report (GRSAC). The proposal expands the report's scope with new quantitative tables on climate risks and financed emissions, enhances qualitative information on governance and strategy, and introduces disclosure of voluntary sustainability commitments. The framework aligns with international standards from the International Sustainability Standards Board (ISSB) and the Basel Committee on Banking Supervision (BCBS). The consultation will remain open until February 13, 2026. Implementation is scheduled for January 2027 for segments S1 and S2, and December 2028 for S3 and S4. [\(more detail\)](#)

SUSEP · Resolution introducing the regulatory framework for open insurance

11/05 · Compliance and conduct

The Superintendence of Private Insurance (SUSEP) has published a resolution that amends the regulatory framework for the open-insurance system (OPIN). Key changes include: i) a reduction of the minimum retention period for voluntary exit of companies from OPIN; ii) the creation of a monitoring manual for the OPIN; and iii)

the detailing of minimum content requirements for the client experience manual, the dispute resolution platform and the monitoring manual that are required for insurers. The Resolution will enter into force immediately. ([more detail](#))

SUSEP · Guidelines relating to environmental, social and climate issues applicable to rural insurance 11/05 · Sustainability

The Superintendence of Private Insurances (SUSEP) has published Resolution CNSP nº 485/2025, which establishes rules regarding environmental, social, and climatic issues applicable to rural insurance. This regulation aims to integrate sustainability criteria into the insurance offering, promoting responsible practices in the sector. The regulation was developed by the insurance and ecological transformation working group and aligns with the federal government's ecological transformation plan. Its objective is to ensure that rural insurance providers integrate ESG criteria into their risk assessments, thereby preventing coverage for properties with invalid Rural Environmental Registry (CAR) status or other non-compliant conditions. It will be reviewed, on a conclusive basis, by the Chamber of Deputies' Committees on Finance and Taxation and on Constitution, Justice and Citizenship (CCJC); if approved, it will proceed to the Federal Senate and, subsequently, to presidential sanction. ([more detail](#))

BCB · Public consultation on credit risk mitigation and counterparty credit risk approaches 11/06 · Compliance and conduct

The Central Bank of Brazil (BCB) has launched a public consultation on a draft resolution aimed at enhancing the recognition of credit risk mitigating instruments under the standardized approach (RWACPAD) and the Current Exposure Method (CEM) for calculating counterparty credit risk in derivatives. The standardized approach is a simplified regulatory method that uses predefined risk weights to calculate overall credit risk, while the CEM is specifically applied to derivatives, estimating both current and potential future exposure to counterparty risk. Key modifications include: i) updates to financial collateral; ii) bilateral agreements; iii) fiduciary guarantees; iv) credit insurance; and v) improvements in linked operations and the application of preferential risk-weighting factors. The proposal also standardizes definitions and simplifies calculations while maintaining consistency with existing regulation. The public consultation period will remain open until 3 February 2026, and the resolution will come into effect on 1 July 2026. ([more detail](#))

BCB · Resolution on services and operations with virtual assets in the foreign exchange and international capital markets 11/10 · Compliance and conduct · Cryptoassets

The Central Bank of Brazil (BCB) issued the resolution nº 521 regulating virtual asset service providers (VASPs) and virtual asset operations in foreign exchange (FX) and international capital markets. The resolution establishes reporting obligations to the BCB, verification of fund origin and destination for non-licensed counterparties, US dollars (USD) limits for international transactions outside authorized institutions, and prohibitions on certain uses of foreign currency in virtual asset operations. It also sets security and compliance requirements, including transaction traceability and internal controls to prevent money laundering (AML). ([more detail](#))

BCB · Resolution on the regulatory framework for virtual asset service providers 11/10 · Compliance and conduct · Cryptoassets

The Central Bank of Brazil (BCB) has issued the resolution nº 520 regulating the establishment, authorization, supervision, operation, and transfer of activities of virtual asset service providers (VASPs) in Brazil. The regulation defines VASP types (intermediation, custody, brokerage), requires segregation of client and company assets, robust independent audit processes, governance, sanctions lists for anti-money laundering and counter-terrorist financing (AML/CTF) purposes, cybersecurity policies, and procedures for staking operations, that is, locking cryptocurrencies to secure the network and earn rewards. The resolution also includes a compliance timeline and a maximum deadline for existing entities to request authorization. Newly established VASPs must meet minimum capital requirements, use a specific corporate name, and obtain formal authorization from the BCB. ([more detail](#))

BCB · Amendment of the normative instruction on the submission of documents to the Credit Information System 11/19 · Reporting · Capital, liquidity and leverage

The Central Bank of Brazil (BCB) has published a Normative Instruction that amends circular letter nº 3.869 on the submission of information to the Credit Information System (SCR). The instruction adjusts the timetable for reporting document 3044, also updates the completion guidance for that document, which records event data related to credit operations. Since 1 November 2025, general information is being submitted, while events concerning revolving credit instruments, credit assignments and acquisitions, and debt assumption or portability will be submitted from 1 May 2026. ([more detail](#))

PREVIC · Amendment to the ordinance on accounting requirements for private and occupational pension plans 11/19 · Accounting

The National Superintendency of Supplementary Pension Funds (PREVIC) has published an ordinance amending the accounting annexes to Resolution No. 23/2023 which establishes procedures for the application of regulations relating to the activities carried out by PREVIC, as well as regulations complementary to the guidelines of the National Council for Supplementary Social Security (CNP) and the National Monetary Council (CMN). These annexes are applicable to closed supplementary pension funds, which include private and occupational pension plans. The document introduces a new chart of accounts, describes the function and operation of the accounts,

and updates the models and instructions for preparing financial statements, with the aim of increasing the accuracy, transparency, and uniformity of records. The ordinance will enter into force on January 1, 2026. ([more detail](#))

BCB · Statement on requirements for independent auditing and internal controls in supervised entities

11/21 · Corporate governance

The Central Bank of Brazil (BCB) has published a statement regarding the requirements for independent auditing and internal controls in supervised entities. It emphasizes the need for independent auditors to focus on examining the accounting records and the disclosure of financial instruments established in Resolution of the national monetary council (CMN) nº 4,966 and Resolution of the BCB nº 352. The BCB highlights the importance of a critical analysis of aspects related to credit risk, including the criteria used to estimate the present value of financial asset recoveries. ([more detail](#))

BCB · Joint resolution providing for the provision of Banking as a Service (BaaS)

11/28 · Compliance and conduct

The Central Bank of Brazil (BCB) has approved Joint Resolution No. 16/2025, establishing a regulatory framework for Banking as a Service (BaaS) arrangements. The regulation defines the responsibilities of the financial or payment institution and the third-party provider, strengthens customer transparency, standardises governance and operational controls and introduces mandatory monitoring and customer-experience manuals. It also sets rules for dispute resolution, restricts opaque contractual structures, regulates commercial communications, and aligns interoperability requirements with the Open Finance framework and the Brazilian Payments System. Additionally, it introduces monitoring and reporting obligations regarding third-party performance. The resolution has been in force since 28 November 2025, and existing contracts must be fully aligned with the new requirements by 31 December 2026. ([more detail](#))

BCB · Joint Resolution which establishes the quality policy for information

11/28 · Reporting · Compliance and conduct

The Central Bank of Brazil (BCB) and the National Monetary Council (CMN) have approved Joint Resolution No. 18/2025, establishing a mandatory information quality policy for financial institutions and other entities authorised to operate by the BCB. The resolution sets out a comprehensive framework to ensure that data and documents submitted to the supervisor are complete, accurate, reliable, consistent and traceable, replacing and expanding the requirements of Joint Resolution No. 4,968/2021. Key elements include essential quality criteria, procedures for data capture, validation and reconciliation, governance responsibilities for boards and senior management, technical and human resource requirements, and mechanisms for identifying and correcting deficiencies. The BCB is granted powers to review internal processes, request additional documentation, order operational improvements and require the replacement of incorrect information. The resolution enters into force on 1 January 2026, and entities must fully implement all requirements by 31 December 2026. ([more detail](#))

BCB · Joint Resolution regulating the nomenclature and manner in which institutions authorized to operate by the BCB are presented to the public

11/28 · Compliance and conduct

The Central Bank of Brazil (BCB) and the National Monetary Council (CMN) have issued Joint Resolution No. 17, establishing rules on naming conventions and public presentation for all institutions authorised to operate by the Central Bank. Institutions must use names and communication practices that clearly indicate their authorised activity type and may not employ terms suggesting activities for which they lack authorisation. The regulation sets specific requirements for prudential conglomerates and cooperative systems, mandates the use of the institution's own internet domain, restricts partnerships with non-authorised entities that may mislead clients and introduces mandatory compliance plans when adjustments are needed, with a maximum one-year implementation period. ([more detail](#))

BCB · Requirement to submit quantitative Icaap, IcaapSimp and stress-test information

12/03 · Reporting · Capital, liquidity and leverage

The Central Bank of Brazil has issued Resolution BCB No. 527, requiring institutions in supervisory segments S1 and S2 that is, S1 for larger conglomerates with systemic importance, and S2 for medium-sized entities with moderate systemic importance, to submit quantitative information on the Internal Capital Adequacy Assessment Process (Icaap), the Simplified Icaap (IcaapSimp), and stress tests based on scenarios provided by the BCB. The information must be calculated annually using 31 December as the reference date, cover a minimum three-year horizon and be submitted on a consolidated basis by the prudential-conglomerate lead institution or by the entity responsible under applicable rules. Institutions must also appoint a responsible officer and retain methodologies and supporting documentation for five years. The Resolution took effect due to its publication on December 3, 2025. Provisions specific to cooperative systems take effect on 1 July 2026, while all other requirements apply upon publication. ([more detail](#))

SUSEP · Public consultation on the cession and acceptance of reinsurance and retrocession

12/08 · Conduct

The Superintendence of Private Insurance (SUSEP) has launched a public consultation on the cession and acceptance of reinsurance and retrocession. The consultation aims to receive contributions from the insurance market on the proposed regulatory framework, which addresses aspects such as the requirements for entities to operate in reinsurance and retrocession activities. The final regulation is expected to provide greater legal

certainty and transparency to this segment of the insurance industry. Consultation closes on December 28. [\(more detail\)](#)

BCB · Normative instruction about the templates for the reports of ICAAP and ICAAPSimp

12/10 · Risk and Capital · Prudential reporting

The Banco Central do Brasil (BCB) has issued a normative instruction which discloses the templates for the reports under the Internal Capital Adequacy Assessment Process (ICAAP) and the Simplified Internal Capital Adequacy Assessment Process (ICAAPSIMP). The instruction specifies the information to be included on governance, strategy, risk management, stress testing, capital planning, internal audit and action plans, and introduces dedicated sections for social, environmental and governance (ESG) risk. As of 1 July 2026, institutions will have specific obligations under Arts. 3 and 6 of the templates. [\(more detail\)](#)

SUSEP · Presentation of a preview of the new version of Reinsurance Monitoring System layout

12/12 · Non-Financial Reporting

The Superintendence of Private Insurance (SUSEP) has presented to the insurance sector a preview of the new version of the Reinsurance Monitoring System (SRO) layout. The updated layout aims to improve data reporting and streamline the insurance market supervision process. The SUSEP will hold a public consultation to gather feedback from industry participants before finalizing the new SRO layout. [\(more detail\)](#)

BCB · Strengthening of cyber security and cloud service requirements in the financial system

12/18 · Data Protection and Privacy · Cybersecurity and Other Technology Risks

The National Monetary Council (CMN) Resolution No. 5,274/2025 and the Central Bank of Brazil (BCB) Resolution No. 538/2025 jointly update Brazil's regulatory framework on cybersecurity and on the outsourcing of data processing and storage and cloud computing services by regulated entities. In particular, CMN Resolution No. 5,274 amends Resolution No. 4,893/2021, strengthening requirements on cybersecurity policies, governance, risk management and oversight of technology service providers. BCB Resolution No. 538 amends Resolution No. 85/2021, extending and aligning these requirements for payment institutions and other entities supervised by the BCB, with the aim of strengthening operational resilience and protecting the financial system. [\(more detail\)](#)

ANBIMA · Good practice guide for the use of artificial intelligence in the financial market

12/18 · Artificial Intelligence

The Brazilian Association of Financial and Capital Market Entities (ANBIMA) has advanced its innovation agenda with the publication of a new guide on best practices for contracting artificial intelligence (AI) systems. The guide complements existing publications on the ethical use and governance of AI in financial and capital markets. It provides practical guidance covering the identification of business needs, technical and compliance criteria, supplier assessment, technological and contractual due diligence, and post-implementation monitoring of AI solutions. The objective is to support institutions in the strategic, secure and responsible adoption of AI, while mitigating operational and regulatory risks. [\(more detail\)](#)

PREVIC · Update to Resolution on investments, ESG criteria, diversity and communications

12/18 · Sustainability · Disclosure

The National Superintendence of Complementary Pension (PREVIC) has updated Resolution PREVIC No. 23/2023, a key regulatory framework for Closed Complementary Pension Entities (EFPCs), introducing additional requirements on investments, environmental, social and governance (ESG) criteria, diversity, equity and inclusion (DEI), and communication with participants, beneficiaries and sponsors. The update recommends that S1 and S2 EFPCs establish integrity and DEI programmes, adopt accessible communication policies and ethical customer service practices, and requires greater investment transparency and alignment with National Monetary Council (CMN) Resolution No. 5,202/2025. The deadline to adapt plan regulations to the requirements of National Council of Complementary Pension (CNPc) Resolution No. 50/2022 has been extended until 31 December 2026. [\(more detail\)](#)

Chile

CMF · Update of financial reporting regulations for regulated entities

13/10 · Reporting

The Financial Market Commission (CMF) has issued new regulations updating the financial reporting requirements for all regulated entities, including banks, fund administrators, insurance companies, and other financial institutions. Key changes include the obligation to provide standardized financial information in uniform formats, disclose risks and contingencies (credit, market, liquidity, and operational), comply with international standards such as International Financial Reporting Standards (IFRS) and undergo independent external audits. [\(more detail\)](#)

CMF · Amendment to the Accounting Standards Compendium for savings and credit cooperatives

10/21 · Accounting

The Financial Market Commission (CMF) has issued a General Rule (NCG), amending the Accounting Standards Compendium (CNC) applicable to supervised savings and credit cooperatives. The NCG updates the accounting treatment of provisions, impairments, and write-offs, and introduces adjustments to financial statement disclosures. It also clarifies the recognition of interest income and the classification of financial assets. The new regulation will take effect starting from the financial information corresponding to the 2026 fiscal year. [\(more detail\)](#)

CMF · Update of the Information System Manual and the Accounting Standards Compendium for banks

10/21 · Accounting

The Financial Market Commission (CMF) has issued a circular updating the General Instructions of the Information System Manual and Chapter C-3 of the Accounting Standards Compendium (CNC) applicable to banks. The rule extends to subsidiaries and support companies the obligation to report information on loans granted under the Special Guarantee Fund (FOGAES) programs and adds new accounts related to accrued interest from interest rate subsidy programs. It will take effect with data from December 2025, to be reported in January 2026. ([more detail](#))

CMF · Draft Regulation to increase female participation in boards of public and special corporation

10/28 · Compliance and conduct

The Financial Market Commission (CMF) has issued a draft regulation setting requirements to increase female participation on the boards of public and special corporations. From 1 January 2026, firms must report their board composition to the CMF. They are also required to submit annual board information by 31 January each year and update it within 5 business days in case of vacancies or new elections. ([more detail](#))

CMF · Public consultation on the Regulatory Report regarding the requirement associated with liquidity monitoring for insurance companies and the creation MSI Seguros

10/27 · Capital, liquidez y apalancamiento

The Financial Market Commission (CMF) has published the Regulatory Report on the requirement for monitoring the liquidity of insurance companies and the creation of the Insurance Information System Manual (MSI Seguros). The objective of this regulatory proposal is to establish a new periodic liquidity reporting requirement, which will improve the measurement of inherent liquidity risk in insurers and advance them toward international best practices. Furthermore, it introduces the first MSI Seguros framework, which aims to centralize current reporting requirements within a single regulatory framework. The public consultation period will remain open until December 9, 2025. Insurers must begin submitting the required information with a closing date of September 30, 2026, and the submission deadline is October 15, 2026. ([more detail](#))

CMF · Draft regulation on the presentation of financial statements by insurance companies

10/27 · Accounting · Reporting

The Financial Market Commission (CMF) has published a draft regulation on the presentation of financial statements by insurance companies, with the aim of requiring the International Financial Reporting Standards (IFRS) exclusively for domestic insurance and reinsurance companies, that have securities registered in the Securities Registry, as well as for insurers that must consolidate their financial statements with their parent companies that issue securities, with the exceptions established for the annuity business line. The regulation will come into force in fiscal year 2028, and the first presentation of financial statements under IFRS must be made in 2029. ([more detail](#))

MinInterior · Update of the national climate strategy

11/06 · Sustainability

The Ministry of the Interior and Public Security (MinInterior), together with the Climate Change Office, has published the updated national climate strategy. The document sets strategic objectives for emission reduction and climate change adaptation for the coming years, prioritizing key sectors such as energy, transport, agriculture and infrastructure. It includes quantitative mitigation and adaptation targets, monitoring indicators, and interagency coordination mechanisms, and strengthens alignment with the country's international commitments under the Paris Agreement. ([more detail](#))

CMF · Instructions on information submission for portfolio managers

11/07 · Compliance and conduct · Reporting

The Commission for the Financial Market (CMF) has issued a general rule which provides instructions for entities registered as portfolio managers, other than general fund managers and securities intermediaries, regarding their periodic information submission. The rule requires monthly reporting of key figures such as business volume, number of clients, minimum capital, risk-weighted assets, capital requirements and risk-weighted assets for crypto-assets, portfolio administration and established guarantees. The rule also specifies submission deadlines and the use of the CMF supervisa module for data transmission. The instructions will become mandatory as of July 1, 2026. ([more detail](#))

SP · Public consultation on supplementary report of the long-term financial situation

11/11 · Reporting

The Superintendence of Pensions (SP) has issued a public consultation on a draft regulation introducing a supplementary report on the long-term financial position of the Autonomous Pension Protection Fund (FAPP), a standalone public fund created to ensure the sustainability of the new Social Pension Insurance (SSP) and manage its resources. The report, called Economic Balance, is intended to reflect the Fund's sustainability over a long horizon (up to 75 years), including actuarial projections, assets and liabilities composition, current and future funding sources, and the technical assumptions used. The initiative invites public comments until November 21, seeks to increase transparency about the FAPP's operations and its role in financing the SSP, whose benefits start paying out in January 2026. ([more detail](#))

CMF · Adjustments to the regulatory framework of the Open Finance System

11/12 · Compliance and conduct

The Financial Market Commission (CMF) has issued the Regulation amending General Rule (NCG) n° 514 to update the implementation of the Open Finance System (SFA). The main changes include a 12-month extension of the effective date, the establishment of a pilot period, the introduction of a simplified participation scheme for smaller entities, the standardization of the alternative mechanism, and the extension of transactional data history to 24 months. The amendment also introduces clarifications regarding client consent requirements and the functioning of data exchange and authentication processes within the SFA. ([more detail](#))

CMF · Circular on the modification of the Fund Information System

11/21 · Reporting · Capital markets

The Financial Market Commission (CMF) has issued General Rule (NCG) No. 554, which introduces extensive amendments to NCG No. 532 in order to update the Funds Information System. The rule: (i) fully replaces regulatory files from FONDOS01, relating to the investment portfolio in instruments other than derivative contracts, through FONDOS07, relating to capital reductions and dividend distributions of non-redeemable investment funds; (ii) introduces new derivative reporting obligations aligned with the Central Bank of Chile's Integrated Derivatives Transactions Information System (SIID); (iii) adds new forms and six reference tables; (iv) strengthens data validation and submission processes; (v) reorganises regulatory content; and (vi) updates the rules applicable to capital reductions and dividend distributions. The regulation will enter into force on 1 June 2026, establishes a transition period until 30 November 2026, and sets 30 September 2026 as the deadline for updating collateral. ([more detail](#))

CMF · Circular letter amending the NCG on the MSI Fintec

11/24 · Reporting

The Financial Market Commission (CMF) has issued a circular amending General Rule (NCG) No. 530 on the Fintec Information System Manual (MSI Fintec), in order to correct numbering, update terminology and improve the technical consistency of the fields reported by service providers authorised under Law No. 21,521. The circular introduces structural and coding adjustments to regulatory files FINTEC01 to FINTEC16. File FINTEC01 contains information on the volume, size and nature of the business, as well as the number of clients served by each entity. File FINTEC16, in turn, contains information on own-account portfolio balances in alternative trading systems (ATS). These changes include modifications to field types and the standardisation of criteria for recording transactions. The circular entered into force on 24 November 2025 and sets 30 September 2026 as the deadline for collateral reporting. ([more detail](#))

CMF · Public consultation on a regulatory report on a compendium of rules applicable to general fund managers and their funds

11/25 · Corporate governance · Risks · Accounting · Compliance and conduct

The Financial Market Commission (CMF) has opened a public consultation on a regulatory report accompanying a proposed General Regulation (NCG) aimed at systematizing and modernizing the administrative regulations applicable to general fund managers and mutual and investment funds supervised by the CMF. The proposal creates a regulatory compendium structured in five sections: i) definitions; ii) administrators; iii) supervised funds; iv) private funds; and v) record keeping. In addition, it aligns the regulation with international standards, including enhanced corporate governance and risk management requirements, new rules on internal regulations, marketing of shares, risk labeling criteria, use of Global Investment Performance Standards (GIPS) for the presentation of returns, and rules on asset valuation in accordance with International Financial Reporting Standards (IFRS). The consultation is open for comments until February 2, 2026. ([more detail](#))

SP · Consultation that improves the current regulations for creating an AFP and limits business groups to owning only one administrator

12/01 · Compliance and conduct · Corporate governance

The Superintendency of Pensions (SP) has published for public consultation a draft regulation aimed at improving and harmonising the rules governing the constitution and authorisation of new pension fund administrators (AFPs). The proposal tightens existing legal requirements, strengthens the feasibility study, clarifies definitions of net equity and authorised assets, and demands a robust organisational governance structure with suitability requirements for senior executives and the investment management team. It also establishes that a single business group may not own more than one AFP, to avoid concentration and conflicts of interest. The consultation is open until 16 December 2025. ([more detail](#))

CMF · Modernisation of the regulatory framework for CMF-supervised credit cooperatives

12/02 · Compliance and conduct · Reporting

The Financial Market Commission (CMF) has published a draft regulation to modernise the framework applicable to credit cooperatives under its supervision, in line with the powers granted by the Financial Resilience Law. The initiative creates the Updated Compilation of Rules (RAN CACs) and the Information System Manual (MSI CACs) to consolidate, organise and update existing provisions, strengthen governance and the responsibilities of governing bodies, adapt the management-assessment model to the cooperative context with a proportional approach, and modernise reporting and data quality through updated structures and fields. It also introduces definitions and regulatory references to reduce ambiguities and requires documentary, operational and technological adjustments by the cooperatives. The draft is open for public consultation until 12 January 2026. ([more detail](#))

CMF · Draft Regulation to Strengthen the Consent Management System of the REDEC

12/02 · Compliance and conduct · Reporting

The Financial Market Commission (CMF) proposes amending General Rule (NCG) No. 540, which regulates the operation of the Consolidated Debt Registry (REDEC), in order to strengthen the management of debtor consent in the Consolidated Debt Registry (REDEC). The changes require reporting entities to notify the debtor of each consent granted, to digitize and encrypt consents using SHA-256 hash, to create an internal code registry, to improve regulatory reporting and to enable application programming interfaces (APIs) for the submission and request of consents. The revocation of authorizations granted to third parties is also incorporated, obligations regarding traceability, integrity and auditability are reinforced, and new requirements are established for supervision and oversight by the CMF. ([more detail](#))

MEFT · Implementation guidance on international contractual clauses

12/12 · Regulatory Compliance

Ministry of Economy, Development and Tourism (MEFT) has issued an implementation guide on the use of international contractual clauses in cross-border transactions. The guidance provides practical criteria and interpretative clarifications on the inclusion of choice of law, jurisdiction, arbitration and international dispute resolution clauses, aiming to enhance legal certainty, mitigate contractual risks and promote consistent application of the applicable regulatory framework. The guide is interpretative in nature and does not introduce new obligations or implementation deadlines. ([more detail](#))

CMF · Draft regulation on External Audit Firms

12/16 · Regulatory Compliance

The Financial Market Commission (CMF) has published a draft regulation on External Audit Firms (EAFs) aimed at consolidating and harmonising the regulatory framework currently fragmented across sector-specific rules. The proposal establishes a single, cross-sector regulatory framework, strengthening: i) requirements on registration; ii) technical fitness; iii) internal governance; iv) independence; v) quality control; vi) ongoing reporting; vii) audit records and viii) formal audit opinions, in line with international standards and to support a more consistent, risk-based supervisory approach by the CMF. The public consultation is open until 8 February 2026. ([more detail](#))

Colombia

SFC · Modification of the pro forma statement on real interest rates on the loan portfolio balance

(10/02) · Compliance & conduct

The Financial Superintendency of Colombia (SFC) has issued External Circular 0014 of 2025, which provides instructions for strengthening the liquidity of capital markets, in accordance with Decree 1239 of 2024. The regulation introduces amendments to the Basic Legal Circular and the Basic Accounting and Financial Circular, covering topics such as the duty to advise, rules for issuing securities, advisory activities in the securities market, the role of liquidity providers, the management of recurring securities lending, and the disclosure of information on short sales. In addition, provisions for custodians, collective investment fund distributors, and securities trading systems are updated. The circular entered into force on October 3, 2025. ([more detail](#))

SFC · External Circular issuing instructions to strengthen capital market liquidity

10/02 · AAMM + Private banking

The Colombian Financial Superintendency (SFC) has published External Circular 0014 of 2025, issuing instructions to strengthen capital market liquidity, in accordance with Decree 1239 of 2024. Among the main measures are the modification of rules on the duty to provide investment advice, new requirements for general investment instructions, guidelines on recurring securities lending, short selling, and securities custody. Provisions on information disclosure by market intermediaries are also incorporated, and the previous chapter on liquidity providers is repealed and replaced by a new, more robust and harmonized regulatory framework. The instructions will enter into force in October 2026, with the possibility of early adoption by supervised entities. ([more detail](#))

SFC · External Circular with instructions for managing ESG risks

10/03 · Sustainability

The Colombian Financial Superintendency (SFC) has published External Circular 0015 of 2025, with instructions for managing governance, environmental and social (ESG) risks, including climate risk, in the entities under its supervision. Within the framework of the Green Finance and Climate Change Strategy, the circular establishes guidelines for entities to adequately identify, manage, and report these risks, particularly in credit operations. The instructions do not impose automatic restrictions, but rather seek to strengthen the resilience of the financial system in the face of the challenges of climate change and other socio-environmental risks. The circular introduces a new chapter in the Basic Accounting and Financial Circular and modifies provisions on the internal control system. The measures must be implemented within six months of publication. ([more detail](#))

SFC · Implementation of the Single credit Portfolio Reporting Module

14/10 · Reporting · Credit and capital

The Financial Superintendency of Colombia (SFC) has issued an external circular, establishing the Single Credit Portfolio Reporting Module (MURIC). This module centralizes and standardizes credit portfolio reporting for all supervised entities, including banks, credit unions, and other financial institutions. Key requirements include the periodic submission of detailed information on balances, delinquency, risk classification, collateral, and restructured operations; the use of standardized formats to ensure consistency and comparability and maintaining validated and audited information. ([more detail](#))

SFC · Circular about linked-party transactions regime for credit institutions

10/24 · Compliance and conduct

The Superintendencia Financiera de Colombia (SFC) has published a draft External Circular establishing rules on transactions between credit institutions and their linked parties. The draft defines criteria to consider private equity funds and autonomous patrimonies as linked parties, and sets rules for the identification, measurement, monitoring, management and reporting of such transactions. The instructions in the new Chapter XXXVI will take effect on 9 May 2026. ([more detail](#))

BRC · Regulatory circular about transitory liquidity support

10/31 · Capital, liquidity and leverage

The Bank of the Republic of Colombia (BRC) has issued an external regulatory circular about transitory liquidity support (ATL), which fully replaces the version of March 25, 2025. The document updates the provisions governing access by credit institutions to temporary liquidity resources granted by the BRC, aimed at addressing short-term cash needs and supporting financial system stability. The circular describes the operational modalities of the facility, the access conditions, eligibility criteria, required documentation, and admissible securities to be used as collateral. It also sets out procedures for requesting, approving, disbursing, extending, and increasing the support amount, as well as the applicable financial conditions, including term, interest rate, and related costs. It will enter into force upon its publication on 31 October 2025. ([more detail](#))

SFC · Guidelines on related-party transactions in financial institutions

11/07 · Accounting

The Financial Superintendence of Colombia (SFC) has issued a Circular that adds a new chapter on related-party transactions to the Accounting and Financial Basic Circular. The measure implements Decree 1358 of 2024, which regulates the identification and management of transactions between financial institutions and their related parties, in line with the recommendations of the Financial Sector Assessment Program (FSAP) and the Corporate Governance Principles of the Organisation for Economic Co-operation and Development (OECD) and the G20. The instructions will take effect on May 9, 2026. ([more detail](#))

SFC · Circular on the implementation plan for the management of environmental and social risks

11/21 · Sustainability

The Colombian Financial Superintendency (SFC) has issued Circular 067 of 2025, which defines the guidelines for the implementation plan required by External Circular 015 of 2025 on the management of environmental and social risks, including climate risks, in supervised entities. The letter establishes the minimum structure of the plan: i) strategic roadmap; ii) schedule; iii) responsible parties; iv) budget; v) training; vi) monitoring mechanisms; vii) risk management stages; and viii) documentation. It also offers proportionality criteria and guidance on governance roles and differentiated levels of progress. As next steps, entities must develop a timetable that allows for a maximum period of 18 months for full implementation, formal submission of the plan to the SFC by April 3, 2026, at the latest, and explicit indication of whether they will apply the provisions of External Circular 015 in advance. ([more detail](#))

SFC · Guidance on easing requirements for issuances and placements in the capital market

11/27 · Capital markets

The Financial Superintendency of Colombia (SFC) has issued new instructions that relax the requirements for conducting issuances and placements in the Colombian capital market, according to external circular 011 of 2025. The measure introduces two differentiated categories, known issuer and recurrent issuer, to facilitate access for new companies to the market and expedite financing processes through securities such as stocks, bonds, and securitization titles. The scheme significantly reduces response times: i) up to 30 business days to recognize the status of known issuer; ii) 15 days for subsequent issuances; and iii) 5 days for recurrent issuers. The SFC also presented the official seals that will visually identify both categories. ([more detail](#))

SFC · Amendments of reporting template on effective interest rates of loan portfolios

12/12 · Financial reporting

The Financial Superintendence of Colombia (SFC) has issued External Circular 0019 of 2025, amending template F.1000-98 on effective interest rates of outstanding loan portfolios for natural and legal persons. The amendment introduces two additional indexations for reporting lending rates, linked to the Consumer Price Index (CPI) and the Banking Reference Indicator (IBR), in order to better capture credit market dynamics and enhance the usefulness of data for prudential analysis and supervision. The Circular requires mandatory testing in February 2026 and sets the first official submission, with data as of December 2025, by 16 March 2026. The Circular enters into force upon publication. ([more detail](#))

BCRC · Amendments to foreign exchange procedures on external credit substitution and workers' remittances

12/16 · Credit

The Central Bank of Colombia (BCRC) has amended the external regulatory circular about the procedures applicable to foreign exchange operations to clarify the foreign exchange (FX) treatment of external credit substitution and update procedures applicable to workers' remittances. The changes specify reporting and FX declaration requirements for credit substitutions carried out in the same or in different currencies, introducing a new reason for non-channelling. In addition, the amendment regulates exclusive-use accounts for the distribution of workers' remittances, introduces new FX codes, adjusts the applicable exchange rate (TRM), and updates the relevant reporting templates and quarterly remittance reports. All the requirements applied since the publication day. ([more detail](#))

SFC · Draft Circular setting out instructions on the EPR and the implementation of the PAC and PA

12/17 · Risks and capital

The Financial Superintendence of Colombia (SFC) has launched a public consultation on a draft External Circular setting out instructions on the stress testing framework (EPR) and the implementation of capital and liquidity self-assessment processes (PAC and PAL), in line with Basel Committee Pillar 2 recommendations. The draft updates the regulatory framework for stress testing, integrates stress tests into internal capital and liquidity assessment processes, and introduces a new dedicated chapter in the Accounting and Financial Regulatory Circular (CBCF). It also establishes a phased implementation regime, with general application from January 2028 and binding capital requirements arising from the PAC as of January 2029. The deadline for submitting comments is 22 December 2025. ([more detail](#))

Ecuador**JPRF · Resolution on the constitution, registration, organization, operation and liquidation of closed complementary pension funds**

10/31 · Compliance and conduct

The Financial and Monetary Policy and Regulation Board (JPRF) has issued the resolution which sets out a comprehensive regulatory framework for the constitution, registration, organization, operation and liquidation of closed complementary pension funds (FCPC). The document defines legal requirements for establishment, corporate governance structure, responsibilities of legal representatives, minimum capitalisation requirements, investment policies, supervision and auditing of such funds. It also addresses the regime for voluntary and compulsory liquidation, mechanisms for participant protection and reporting transparency. This resolution will come into force as of its issuance. ([more detail](#))

Mexico**CNBV · Resolution amending the official format for reporting international fund transfers**

11/27 · Reporting

The National Banking and Securities Commission (CNBV) has amended the official format for reporting international fund transfers, under the General Provisions referred to in Article 115 of the Credit Institutions Law. The resolution aligns the fields and business rules with the International Organization for Standardization (ISO) 20022 standard, details the validations applicable to message type (MT) SWIFT and XML format (MX) messages, and adds a new mandatory field to identify the countries or jurisdictions involved in each transaction. The use of the format will become mandatory from 22 November 2025. ([more detail](#))

CNBV · Amendments to the general provisions applicable to issuers and market participants

12/02 · Reporting

The National Banking and Securities Commission (CNBV) has amended the General Provisions for issuers and other market participants to standardise quarterly reporting deadlines and strengthen legal certainty in financial disclosure. The reforms update Article 7 regarding credit-rating requirements, issuance-deed documentation and obligations for instruments subject to capital calls. Article 33 is adjusted to harmonise financial-reporting deadlines, with specific exceptions preserved for certain fiduciary securities and investment-promotion corporations. A new Annex AB is added, detailing the procedure and documentation required to formalise issuance deeds before the Commission. ([more detail](#))

CNBV · Amendment to the prudential rules on financing limits and large exposures for credit institutions

12/02 · Reporting · Corporate governance

The National Banking and Securities Commission (CNBV) amended the rules for credit institutions to clarify criteria for identifying large exposures and financing limits to counterparties or interconnected groups, particularly those linked to multiple-purpose financial firms. The changes update definitions, revise economic-interdependence criteria, adjust exposure limits under Article 54, strengthen assessment and reporting obligations for risk committees and set procedures for correcting breaches and requesting exemptions. The resolution takes effect the day after publication, and institutions must update the A-3511 report by 1 March 2026. ([more detail](#))

CNBV · Resolution amending the general provisions applicable to credit institutions

12/04 · Capital, liquidity and leverage

The National Banking and Securities Commission (CNBV) has amended the provisions applicable to credit institutions to clarify the treatment of Operations Subject to Credit Risk, including those carried out with or borne by trusts. The Resolution adjusts the composition of risk groups and capital weights based on credit ratings and registration with the Ministry of Finance and Public Credit (SHCP), and replaces Annexes 1-B and 1-G. As next steps, it enters into force the day after its publication and institutions will have a 90-day period to comply. ([more detail](#))

Peru**SBS · Draft amendment to the Chart of Accounts for insurance system companies**

10/16 · Accounting

The Superintendent of Banking, Insurance and Private Pension Fund Administrators (SBS) has released for public consultation a draft regulation amending the Chart of Accounts for insurance system companies. The proposed changes aim to standardize the accounting treatment of redemptions and maturities in life insurance policies, updating the description and operation of several accounts and the grouping rules for financial statements. The public has until 16 November 2025 to submit comments. ([more detail](#))

SBS · Public consultation on amendments in the required capital and prudential requirements applicable to disability and survivor insurances

10/31 · Capital

The Superintendence of Banking, Insurance and Pension Funds (SBS) has launched a public consultation on a draft regulation amending the rules on capital requirements and prudential standards applicable to the disability and survivor insurance system (SISCO). The proposal updates the discount rate methodologies for calculating required pension capital, revises the solvency margin and technical reserve frameworks, eliminates certain temporal adjustments, and requires monthly estimation of incurred but not reported (IBNR) claims. It also clarifies criteria for the Complementary Occupational Risk Insurance (SCTR). Comments can be sent until November 15, 2025 and the final rule is expected to take effect on 1 January 2026. ([more detail](#))

SBS · Amendments to the resolution on activities in novel models

11/25 · Compliance · Internal models

The Superintendency of Banking, Insurance and Private Pension Fund Administrators (SBS) has approved amendments to the regulation on the temporary performance of activities under innovative models, defined as innovative financial business models or activities assessed within a controlled environment. The regulation extends participation to non-supervised institutions and sets application requirements, including technical, operational and financial information; liquid guarantees; and an exit plan. It also regulates individual or group applications, supervisory mechanisms during the test phase, and a maximum period of thirty months. ([more detail](#))

SBS · Amendments to the consolidated supervision regulations for financial and mixed conglomerates

11/27 · Risks and capital · Reporting · Accounting

The Superintendency of Banking, Insurance, and Private Fund Administrators (SBS) has issued resolution n° 04200-2025, which modifies the regulation for the consolidated supervision of financial and mixed conglomerates. The regulation: i) updates the treatment of profits, losses, and capitalization agreements in the calculation of effective equity; ii) strengthens the reversal rules applicable to intragroup investments; iii) incorporates new information requirements, such as elimination sheets and comprehensive risk management documents; and iv) replaces the article on the consolidation of financial statements, specifying the applicable accounting framework and harmonization criteria. The resolution will be applicable to information from the first quarter of 2026. ([more detail](#))

SBS · Draft resolution to align the Regulation on consolidated supervision of financial and mixed conglomerates with legislative Decree n° 1646 and the limits Regulation

12/12 · Regulatory Compliance

The Superintendence of Banking, Insurance and Pension Funds (SBS) has published a draft resolution to align the Regulation on consolidated supervision of financial and mixed conglomerates with legislative Decree n° 1646 and the limits Regulation. The proposal introduces revised consolidated concentration limits on financing, setting a general cap of 25% of Tier 1 regulatory capital, as well as a specific 15% limit in certain cases involving financial institutions subject to a market concentration risk buffer. The draft also amends regulatory annexes and establishes a phased implementation, applicable from June 2026 consolidated information, with a transition period until June 2030. The deadline for submitting comments is 29 December 2025. ([more detail](#))

Honduras

CNBS · Amendment to the calculation of the credit impairment coverage ratio

12/12 · Credit

The National Commission of Banks and Insurance (CNBS) has issued Circular CNBS No.012/2025, amending the Rules for the Evaluation and Classification of the Credit Portfolio to maintain and formalise the calculation method for the impairment coverage ratio, which recognises the value of collateral as a mitigant of expected credit losses on non-performing loans. The circular establishes a 110% minimum coverage requirement, sets discount factors by type of collateral, and clarifies applicable delinquency thresholds, including specific treatment for the agricultural sector. The resolution enters into force upon its publication in the Official Gazette La Gaceta. ([more detail](#))

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Main organisms being monitored

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FSB, BCBS, IASB, IOSCO, IAIS, IFRS

European region

Europe	EC, EP, Consejo, EBA, ESMA, EIOPA, ECB, SRB
UK	BoE, PRA, FCA
Spain	BdE, Gobierno, Cortes Generales, CNMV, DGSFP, MINECO

American region

US	Fed, SEC, OCC, FDIC
Mexico	CONAMER, DOF, SHCP, CNBV, CNSF
Brazil	BCB, Susep, CVM
Argentina	BCRA
Peru	SBS, Diario Oficial, SMV
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Manuel Ángel Guzmán Caba

Partner in Management Solutions

manuel.guzman@managementsolutions.com

Marta Hierro Triviño

Partner in Management Solutions

marta.hierro@managementsolutions.com

Management Solutions

Tel. (+34) 91 183 08 00

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