SLAUGHTER AND MAY

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# Financial Regulation Weekly Bulletin

Major UK and European regulatory developments of interest to banks insurers and reinsurers, asset managers and other market participants

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Selected Headlines

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Securities and Markets

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If you have any comments or questions, please contact: Selmin Hakki.

Slaughter and May also produces a periodical Insurance Newsletter. If you would like to go on the distribution list, please contact: Beth Dobson.

# Selected headlines

## General



## Banking and finance



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Selected Headlines
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# General

## 1. European Banking Authority

1.1 **Review of MiCA - EBA responds to European Commission consultation** - *24 September 2026* - The European Banking Authority (EBA) has published its response to the European Commission's targeted consultation on its review of the Regulation on markets in cryptoassets ((EU) 2023/1114) (MiCA). The European Commission's consultation was published in May 2026, as previously reported in this Bulletin.

The EBA's response addresses the specific questions posed in the consultation, covering topics such as: (i) scope and definitions; (ii) requirements for asset-referenced tokens (ARTs) or e-money tokens (EMTs) and their issuers; and (iii) certain other policy areas. The EBA suggests, among other things, that third-country multi-issuance schemes should be subject to a dedicated regulatory regime. It also asks the European Commission to consider whether the reserve requirements for issuers (notably, the minimum amount in the form of deposits) could be reduced.

Group supervision and supervisory co-operation are also discussed, as well as issues arising from the interplay between MiCA and the proposed Directive on payment services and electronic money services in the internal market (PSD3) and the proposed Payment Services Regulation (PSR).

EBA response

# Banking and finance

## 2. UK Parliament (House of Commons Treasury Committee)

2.1 **Financial Inclusion Strategy - Treasury Committee publishes report, together with Government and FCA responses** - *18 September 2026* - The House of Commons Treasury Committee has published a report (HC 621) containing the government's and the FCA's responses (dated 14 September 2026) to the Treasury Committee's earlier report on its inquiry into HM Treasury's financial inclusion strategy (dated 14 July 2026 and previously reported in this Bulletin).

Full details of the government's response to each of the Treasury Committee's recommendations are set out in an appendix. Among other things, the government refers to the work already being conducted by the Financial Inclusion Committee and the Delivery Partners Forum, which monitor progress in delivering the strategy's key interventions. The government also states that it will use the Financial Services and Markets Bill to introduce a power protecting access to banking services if its current review supports intervention, but it will not commit to broader new reserve powers or explicit intervention triggers. It does not commit to publishing a pilot-to-scale plan for the financial inclusion strategy within six months, as the Committee's report has recommended. Instead, the strategy's two-year review will provide a forward-looking assessment of next steps. Both the government and the FCA reject the Treasury Committee's call for broad, firm-level financial inclusion metrics, and instead prefer to strengthen the existing evidence base.

Treasury Committee report: Financial Inclusion Strategy: Government and FCA responses

Press release

## 3. European Commission

3.1 **Private credit activities of banks and NBFIs - European Commission calls for advice from ESAs** - *24 September 2026* - The European Commission has sent a letter (dated 21 September 2026) and an accompanying call for technical advice to the EBA, EIOPA and ESMA (together, the European Supervisory Authorities (ESAs)) on private credit activities and exposures of EU banks and non-bank financial intermediaries (NBFIs).

The Commission seeks advice about the lending and investment exposure of EU banks and NBFIs to private credit activities within the EU and third countries. Private credit for these purposes includes direct lending operations, as well as investments in legal vehicles that perform lending activities or in instruments backed by loans. NBFIs in scope include: (i) insurance companies; (ii) pension funds; and (iii) investment funds. The Commission also requests a description of: (i) the gaps in the existing reporting framework around private credit activities; (ii) the level of participation in these activities by retail investors; and (iii) a mapping of interconnection between banks and NBFIs through private credit activities. The Commission has asked for the advice within six months (in other words, by March 2027).

You can read our briefing from earlier this year on navigating developments in the regulation of the private credit here.

Letter from European Commission to ESAs

Call for advice

## 4. European Banking Authority

4.1 **Management of third-party risk related to non-ICT services - EBA publishes final report and guidelines** - *18 September 2026* - The European Banking Authority (EBA) has published its final report (EBA/GL/2026/09) on draft guidelines for the sound management of third-party risk related to non-information and communication technology (ICT) services. The guidelines will replace the EBA's 2019 guidelines on outsourcing with a view to ensuring alignment with the Regulation on digital operational resilience for the financial sector ((EU) 2022/2554) (DORA). The draft guidelines apply to third-party arrangements (TPAs) provided by third-party service providers (TPSPs) and their subcontractors, focusing on the provision of critical or important functions. Among other things, they will allow firms to store relevant information relating to both ICT and non-ICT services in a single register.

The guidelines will be translated into the official EU languages and published on the EBA website. The final version will have a two-year transition period to give firms time to amend their existing TPAs and update the register for non-ICT TPAs.

EBA final report: Third-party risk management (non-ICT services)

Press release

## 5. European Central Bank

5.1 **Bank licence applications - ECB publishes updated Guide** - *18 September 2026* - The European Central Bank (ECB) has published an updated guide on its assessment of licence applications for credit institutions, replacing its 2019 version. The guide applies to all applications for a licence to become a credit institution under the Capital Requirements Regulation (575/2013) (CRR), including initial authorisations, bridge bank applications and licence extensions. It is intended to assist applicants in navigating the applicable legal and regulatory framework (including EU directives, as well as EBA technical standards and guidelines).

The guide is not legally binding and does not replace any legal requirements under EU or national law.

ECB guide: Guide to licence applications

# Securities and markets

## 6. European Commission

6.1 **Taxonomy Disclosures Delegated Act - Platform on Sustainable Finance publishes recommendations** - *22 September 2026* - The EU Platform on Sustainable Finance, an advisory body to the European Commission, has published a brief on ESMA's consultation on Delegated Regulation (EU) 2021/2178 (Disclosures Delegated Act) and Article 8 of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation). This follows the Commission's call for technical advice on 4 March 2026. In short, the Platform's recommendations include: (i) the adoption of a two-tier approach for an operational expenditure KPI, whereby only some expenditure disclosure is mandatory; (ii) the removal of the weighted-average consolidated KPI for group reporting; and (iii) the incorporation of climate change adaptation clarifications. Further details can be found in the brief.

The Platform intends to submit a more substantive report to the Commission on the review of the Disclosures Delegated Act in 2026.

Platform on Sustainable Finance brief: Review of the Taxonomy Disclosures Delegated Act

Webpage

6.2 **Buy-back programmes and stabilisation measures under MAR - European Commission consults on amendments -** *21 September 2026* **-** The European Commission has published for consultation a draft Delegated Regulation which would amend the regulatory technical standards (RTS) in Delegated Regulation (EU) 2016/1052 on the conditions applicable to buy-back programmes and stabilisation measures under the Market Abuse Regulation (596/2014) (MAR). The consultation follows amendments made to Article 5 of MAR by Regulation (EU) 2024/2809 (the Listing Act Regulation) to simplify the conditions for buy-back transactions, as well as their reporting and subsequent public disclosure.

In short, the draft Delegated Regulation further amends Delegated Regulation (EU) 2016/1052 to allow for reporting of buy-back transactions in aggregated form only and aligning the disclosure and reporting regime for stabilisation measures with that applicable to buy-back programmes.

The consultation closes to comments on 19 October 2026.

European Commission consultation: Amending RTS on buy-back programmes and stabilisation measures

## 7. Financial Conduct Authority

7.1 **Competition concerns relating to information sharing and co-ordination of trades - FCA accepts commitments from traders -** *18 September 2026* **-** The Financial Conduct Authority has published a decision to accept, under section 31A of the Competition Act 1998, commitments offered by 11 day traders of commodity futures (in particular, energy futures contracts) to address competition concerns that they exchanged potentially competitively sensitive information relating to, and potentially co-ordinated, their trading strategies.

The FCA's investigation was opened in July 2023 and focused on the period between 1 November 2019 and 30 May 2020. The FCA was concerned that the parties may have frequently disclosed, through bilateral or multilateral communications, information relating to their trading of commodity futures to one or more other parties. In particular, the FCA was concerned that the parties frequently exchanged some potentially competitively sensitive information, including information about: (i) future trading intentions and actions; (ii) current trading positions; and (iii) recent orders and/or trades.

As a result of its decision, the FCA has discontinued its investigation into the suspected conduct.

FCA decision: Commodity futures trading (CA98.2023.01)

# Insurance

## 8. Financial Conduct Authority

8.1 **Market study on distribution of pure protection products to retail customers - FCA publishes final report -** *21 September 2026* **-** The FCA has published its final report on a market study into the distribution of pure protection products to retail customers (MS24/1.5). The market study assessed whether competition in the distribution of pure protection products (such as life insurance, critical illness cover, and income protection) works well for consumers.

The FCA found that the market generally delivers positive outcomes for consumers who actively hold pure protection products, with high claims acceptance rates, extensive product variety, and relative stability of new business premiums. That said, it also found that a significant protection gap persists, leaving millions of consumers vulnerable to unforeseen life events and financial hardship. The FCA defines the protection gap as the shortfall between the financial protection consumers need against adverse life events and the actual coverage in place. The FCA considers this gap to be driven by demand-side factors (including low consumer awareness and understanding) and supply-side factors (including friction in the sales process, underwriting complexity, and a limited availability of products for consumers with more complex needs).

The FCA will address the issues it has identified through a remedies package running from Q4 2026 through to late 2027, which will involve collaboration between the regulator, industry bodies, public sector entities, and third-sector organisations. The work will generally focus on groups who are disproportionately unprotected such as: (i) renters; (ii) the self-employed and gig economy workers; (iii) those on lower incomes; and (iv) people with pre-existing medical conditions. Among other things, the Money and Pensions Service and the Digital Property Market Steering Group will prompt people to think about protection at key moments, with the FCA exploring how other bodies might help put protection on people's radar. The Protection Distributors' Group will lead a consumer awareness campaign, targeted at groups who are less likely to take out protection products. The Association of Mortgage Intermediaries will lead work to help advisers improve how they discuss protection with their customers. Subject to sufficient interest, the FCA also plans to run a TechSprint in Q3 2027 to explore technology-enabled solutions to the protection gap. Expressions of interest are invited by 13 November 2026. Further details are in Chapter 3 of the final report.

The FCA has also published findings on switching, claims experiences, and fair value in the protection market. Generally, it found that competition works well in the market, but it has reminded firms of requirements and good practice under the Consumer Duty and its product governance rules. Annex 2 describes positive examples of firms' remuneration arrangements and fair value assessments, based on a sample submitted as part of the pure protection market study.

FCA market study: Distribution of pure protection products (MS24/1.5)

Annex 1: Summary of feedback to our Interim Report

Annex 2: Positive examples and areas for improvement

Updated webpage

Press release

# Financial crime

## 9. Financial Conduct Authority

9.1 **Money mule activity - FCA publishes findings of multi-firm review -** *23 September 2026* - The FCA has published the findings of its multi-firm review into money mule activity based on an FCA survey of regulated firms (including: (i) retail banks; (ii) building societies; (iii) challenger banks; (iv) payment institutions; and (v) e-money institutions).

The FCA sets out its expectations for firms in this context, which includes understanding how criminals move funds between accounts, which should help firms' processes for identifying and addressing suspected money mule activity. Firms should be reviewing their controls and responding to emerging mule patterns regularly, and considering indicators beyond the initial receiving account, such as: (i) linked accounts within the institution; (ii) payment characteristics; and (iii) the broader transaction context.

The FCA, together with the National Economic Crime Centre, intends to issue an alert to relevant firms providing further details of its findings.

FCA multi-firm review: Money mule activity and cashing out

This Bulletin is prepared by the Financial Regulation Group of Slaughter and May in London.
The Group comprises a team of lawyers with expertise and experience across all sectors in which financial institutions operate.

We advise on regulatory issues affecting firms across the financial services sector, including banks, investment firms, insurers and reinsurers, brokers, asset managers and funds, non-bank lenders, payment service providers, e-money issuers, exchanges and clearing systems. We also advise non-regulated businesses involved in financial regulatory matters. In addition, our leading financial regulatory investigations practice is regularly instructed by financial institutions requiring specialist knowledge of financial services regulation together with experience in high profile and complex investigations and contentious regulatory matters.

Most of the projects that we advise on have an extensive international or cross-border element.
We work in seamless integrated teams with leading independent law firms which offer many of
the most highly regarded financial institutions lawyers in Europe, the US and Asia, as well as strong and constructive relationships with local regulators.

Our Financial Regulation Group also produces occasional briefing papers and other client publications. The five most recent issues of this Bulletin and our most recent briefing papers
and client publications appear on the Slaughter and May website here.

If you would like to find out more about our Financial Regulation Group or require advice on a financial regulation matter, please contact one of the following or your usual Slaughter and May contact:

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