

# 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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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](#).

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## GENERAL //

### 1 BANK OF ENGLAND AND PRUDENTIAL REGULATION AUTHORITY

- 1.1 PRA Chief Executive and Deputy Governor for Prudential Regulation at Bank of England - Appointment made - 27 February 2026** - The Bank of England and the PRA have announced that Katharine Braddick (Group Head of Strategic Policy and a Senior Adviser to the CEO at Barclays) has been appointed as the next PRA Chief Executive and Deputy Governor for Prudential Regulation, from 1 July 2026, for a term of five years. Braddick will succeed Sam Woods, who has served as Deputy Governor for Prudential Regulation since 2016.

[Bank of England press release](#)

[House of Commons \(Treasury Committee\) correspondence](#)

### 2 FINANCIAL CONDUCT AUTHORITY

- 2.1 Application period for cryptoasset regulated activity permissions - FCA publishes direction - 27 February 2026** - The FCA has published a direction under regulation 52 of the Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102) in relation to applications for relevant cryptoasset permissions made under section 55U of The Financial Services and Markets Act 2000 (as amended). In short, the FCA directs that the relevant application period will commence at 9:00 am on 30 September 2026 and will end at 11:59 pm 28 February 2027.

[FCA direction: Application period for cryptoasset regulated activity permissions](#)

- 2.2 Cryptoasset firms' use of section 21 approvers - FCA publishes new webpage - 27 February 2026** - The FCA has published a new webpage setting out information for cryptoasset firms that currently use the services of an FCA-authorized firm to approve their cryptoasset financial promotions, known as 'section 21 approvers' under the Financial Services and Markets Act 2000.

The webpage explains that cryptoasset firms using section 21 approvers during the application period for their authorisation (or variation of permissions) (30 September 2026 to 28 February 2027) under the new Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 (SI 2026/102) may continue to do so until their application is determined. Firms using a section 21 approver that do not apply during the application period may continue to use the section 21 approver until the new cryptoasset regime commences. At this point, if the firm's application has not been determined, it will enter a transitional period and will only be permitted to communicate promotions to pre-existing contracts. Finally, firms that rely on a section 21 approver and that do not apply for authorisation before the time when new regime takes effect must run off their UK cryptoasset business before that time.

[FCA new webpage](#)

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- 2.3 SDR and labelling regime - FCA publishes new guidance on webpages - 27 February 2026** - The FCA has published a new webpage to help firms understand how to use sustainability labels as part of the sustainability disclosure requirements (SDR) regime. The guidance concerns the criteria to be met for the use of a label, the process for use (depending on the type of fund) and links to downloadable labels for firms and distributors that are within the scope of the regime.

The FCA has also published a webpage providing examples of good and poor practice for using these labels. Examples relate to each of the four available labels: sustainability focus; sustainability improvers; sustainability impact; and sustainability mixed goals. The webpage refers to the criteria for the use of labels in the FCA's ESG sourcebook (ESG 4.2), the pre-contractual disclosure rules in ESG 5.3 (as they apply to labelled funds), the anti-greenwashing rule and the FCA's April 2024 non-handbook guidance on the rule (FG24/3), and Annex 2 of the FCA's November 2023 policy statement (PS23/16).

[FCA new webpage: How to use sustainability labels](#)

[FCA new webpage: Good and poor practice for SDR labels](#)

## BANKING AND FINANCE //

### 3 EUROPEAN BANKING AUTHORITY

- 3.1 Instruments for TCB capital endowment requirement under CRD IV - EBA publishes final report and guidelines - 2 March 2026** - The European Banking Authority (EBA) has published its final report (EBA/GL/2026/03) containing guidelines on instruments available for third-country branches (TCBs) for unrestricted and immediate use to cover risks or losses under the CRD IV Directive (2013/36/EU). The guidelines refer to the requirement under Article 48e of the CRD IV Directive for an authorised TCB to maintain a minimum capital endowment at all times.

Under the guidelines, the most suitable financial instruments for these purposes are debt securities that would receive a 0% risk weight under the standardised approach for credit risk under the Capital Requirements Regulation (575/2013) (CRR) and that are issued or guaranteed by central, regional or local governments or central banks, public sector entities, multilateral development banks or international organisations.

The guidelines will apply from 11 January 2027.

[EBA final report: Guidelines on instruments available for the capital endowment requirement for TCBs under CRD IV](#)

[Press release](#)

- 3.2 Supervisory reporting by TCBs under CRD VI - EBA publishes final draft technical standards - 5 March 2026** - The European Banking Authority (EBA) has published its final report containing draft implementing technical standards (ITS) on supervisory reporting by third-country branches (TCBs) under the CRD IV Directive (2013/36/EU), following a July 2025 consultation.

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The EBA has introduced a series of simplifications and enhancements to the reporting framework following feedback from the consultation and has included practical guidance and examples on implementation. Larger and more complex branches are required to report additional details.

The EBA will submit the draft ITS to the European Commission for endorsement. The reporting requirements will apply from 31 March 2027.

[EBA: Final report on draft ITS on supervisory reporting of TCBs under CRD VI \(EBA/ITS/2026/01\)](#)

[Press release](#)

## 4 FINANCIAL CONDUCT AUTHORITY

- 4.1 Motor finance compensation scheme - FCA publishes update, including proposal for implementation period - 4 March 2026** - The FCA has published an update on its proposals for a compensation scheme for motor finance complaints, noting its intention to introduce an implementation period. This follows a consultation on an industry-wide compensation scheme for motor finance customers who were treated unfairly in CP25/27, and the subsequent update of November 2025, both previously reported in this Bulletin.

The statement explains that if the FCA proceeds with a compensation scheme, it expects to publish final rules in late March. Although decisions on the scheme have not been finalised, the statement sets out some details on how the FCA intends to streamline the consumer journey. It notes, for example, that the FCA is likely to introduce an implementation period of three months, with up to five months for older agreements. Moreover, individuals who complain before the scheme starts will no longer be asked if they wish to opt out; instead, within three months of the end of the implementation period, their lender will tell them whether they are owed compensation and how much. Consumers receiving a redress offer will also be able to accept it immediately rather than waiting for a final determination.

[Motor finance compensation scheme update statement](#)

## 5 HM TREASURY

- 5.1 Capital Requirements Regulation (Market Risk Transitional Provision) Regulations 2026 - 4 March 2026** - The Capital Requirements Regulation (Market Risk Transitional Provision) Regulations 2026 have been laid in draft before Parliament and published on [legislation.gov.uk](https://legislation.gov.uk), alongside a draft explanatory memorandum.

The Regulations insert a new Article 465A into the UK Capital Requirements Regulation (575/2013) specifying that, between 1 January 2027 and 31 December 2027 (the transitional period), banks and other CRR firms should not apply certain provisions in the new Market Risk: Internal Model Approach (CRR) Part of the PRA Rulebook. This effectively delays the UK implementation of the Basel 3.1 internal model requirements for market risk until 1 January 2028 so that firms will be allowed to continue using their existing internal models under the current approach until that date.

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The Regulations will come into force on 30 December 2026.

[Draft Capital Requirements Regulation \(Market Risk Transitional Provision\) Regulations 2026](#)[Webpage](#)[Explanatory memorandum](#)

- 5.2 The Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026 - 4 March 2026** - The Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026 have been laid before Parliament and published on [legislation.gov.uk](https://legislation.gov.uk), with a draft explanatory memorandum.

The Regulations restate in legislation certain definitions that are currently set out in Article 4 of the UK Capital Requirements Regulation (575/2013), including the definitions for “CRR firm”, “investment firm” and “financial institution”. Article 4 of the UK CRR will be revoked on 1 January 2027, together with other articles containing definitions relating to the UK banking prudential framework. The relevant legislation revoking these articles was published in February 2026, as previously reported in this Bulletin.

The Regulations will come into force on 1 January 2027.

[Draft Credit Institutions and Investment Firms \(Miscellaneous Definitions\) \(Amendment\) Regulations 2026](#)[Webpage](#)[Draft explanatory memorandum](#)

## 6 PRUDENTIAL REGULATION AUTHORITY

- 6.1 Recognised exchanges and main indices - PRA publishes policy statement - 5 March 2026** - The PRA has published a policy statement (PS6/26) on its approach to recognised exchanges and main indices in the context of the revocation and restatement of the UK Capital Requirements Regulation (575/2013) (UK CRR).

The PRA intends to introduce a new Recognised Exchanges (CRR) Part in the PRA Rulebook specifying the conditions for the identification of recognised exchanges or assets traded on these exchanges (which are eligible to receive preferential prudential treatment). It comments that by requiring both: (i) an assessment of exchange and market structure; and (ii) an assessment of asset liquidity, the PRA expects that eligible recognised exchanges will be expanded beyond current levels. The PRA also intends to restate in the Glossary to the PRA Rulebook the list of main indices currently set out in implementing technical standards (ITS) in UK Commission Implementing Regulation (EU) 2016/1646. Finally, it will delete its supervisory statement on third country equivalence aspects of the credit risk provisions in the UK CRR and recognised exchanges (SS20/13).

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The new Recognised Exchanges (CRR) Part will come into force on 1 July 2026. SS20/13 will be deleted on the same date. The restatement of the main indices list will come into force on 1 January 2027.

[PRA policy statement: Recognised exchanges policy and transfer of main indices \(PS6/26\)](#)

## SECURITIES AND MARKETS //

### 7 EUROPEAN SECURITIES AND MARKETS AUTHORITY

- 7.1 **Margin transparency requirements and cost of clearing under EMIR - ESMA publishes final draft RTS - 2 March 2026** - The European Securities and Markets Authority (ESMA) has published final reports (ESMA91-1505572268-4509 and ESMA91-1505572268-4519) containing draft regulatory technical standards (RTS) on margin transparency requirements and information on clearing fees under EMIR 3 ((EU) 2024/2987).

The draft RTS on margin transparency requirements relate to the information that must be provided by a central counterparty (CCP) to its clearing members, the CCP initial margin simulation tool and information that must be provided by clearing members and clients providing clearing services. The draft RTS on clearing fees and associated costs concerns the information that must be disclosed by clearing service providers (CSPs) for each CCP at which they provide clearing services.

ESMA will now submit the draft RTS to the European Commission for endorsement.

[ESMA final report: Draft RTS on margin transparency requirements \(ESMA91-1505572268-4509\)](#)

[Webpage](#)

[ESMA final report: Draft RTS on clearing fees and associated costs \(ESMA91-1505572268-4519\)](#)

[Webpage](#)

### 8 FINANCIAL CONDUCT AUTHORITY

- 8.1 **Consumer investments - FCA publishes Regulatory Priorities report - 4 March 2026** - The FCA published its Regulatory Priorities report for the consumer investments sector for advisers, wealth managers, investment and crowdfunding platforms, self-invested personal pension operators, and contract for difference providers. Regulatory Priorities reports are replacing FCA portfolio letters and will be published annually.

The FCA's priorities for the sector in 2026 include building a stronger investment culture. The FCA's work in this context will include helping firms prepare for the new Consumer Composite Investments (CCIs) rules and continue its Advice Guidance Boundary Review (AGBR). It intends to publish its new proposals for simplifying the advice rules soon.

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## 9 BANK OF ENGLAND

- 9.1 **Use of requirements and permissions powers to mobilise new CCPs - Bank of England consults on approach - 4 March 2026** - The Bank of England has published a consultation paper on a new statement of policy on its approach to using its permissions and requirements powers to facilitate a discretionary mobilisation stage as part of the onboarding process of new central counterparties (CCPs). In particular, the draft SoP sets out how these powers will be used to impose *de minimis* limits under which the CCP will operate during the agreed mobilisation period and, where appropriate, to give permission to modify or waive certain rules. This follows publication of the Bank of England's approach to onboarding new financial market infrastructure (FMI) firms in July 2025, as previously reported in this Bulletin.

The consultation closes on 4 June 2026. The final statement of policy will be published (and take effect) following consideration of feedback received and interlinks with several other policies or draft rules that have been recently consulted on. The consultation also notes that, before the permissions power can be used, HMT must first make regulations setting out the scope of the rules to which the power applies.

[Bank of England consultation paper: Approach to using requirements and permissions powers to facilitate mobilisation of new CCPs](#)

## ASSET MANAGEMENT //

## 10 EUROPEAN COMMISSION

- 10.1 **Private equity exits and secondary trading platforms - European Commission publishes consultation paper - 2 March 2026** - The European Commission has published a consultation paper on the obstacles faced by private equity investors when exiting their investments and how to address them. The input is intended to support the Commission's work under the savings and investments union (SIU), in particular efforts to improve the access to finance for EU startups and scaleups.

Against this background, the Commission is seeking views on the merits and possible design features of a platform for secondary trading of private company shares (which could be set up as a time-bound or permanent sandbox or as a new bespoke regulatory regime) and the potential for extended use of such a platform for raising new equity capital.

The consultation is open until 27 April 2026.

[European Commission consultation paper: Private equity exits](#)

[Webpage](#)

[Press release](#)

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## INSURANCE //

### 11 PRUDENTIAL REGULATORY AUTHORITY

**11.1 Life insurance stress test 2028 - PRA publishes statement - 27 February 2026** - The PRA has published a statement to provide an early indication to the industry of its intent to launch the next Life Insurance Stress Test (LIST) exercise in January 2028.

The statement comments that LIST 2025 was an important milestone for the PRA in assessing and explaining the resilience of UK life insurers' financial positions under Solvency UK, using a combination of firm-specific and aggregate sector disclosures for the first time. The PRA will engage with stakeholders during 2026 to reflect on any lessons learned from LIST 2025 and to use this feedback to inform the design and set-up of the next life insurance stress testing exercise.

Further details on the next exercise will be provided in Q4 2026, including on any changes in the scope or methodology of the exercise and confirmation of likely firms in scope.

[PRA statement: Life insurance stress test 2028](#)

## FINANCIAL CRIME //

### 12 FINANCIAL ACTION TASK FORCE

**12.1 Stablecoins and unhosted wallets - FATF publishes report on risks - 3 March 2026** - The Financial Action Task Force (FATF) has published a report on the risks linked to criminals' misuse of stablecoins, particularly through peer-to-peer (P2P) transactions via unhosted wallets (without the involvement of a regulated intermediary Virtual Asset Service Provider (VASP) or financial institution). The report also comments on the difficulties faced by stablecoin issuers in controlling cross-chain activities, which may therefore fall outside counter-illicit finance controls.

The report recommends the recognition of specific risks associated with stablecoins and the implementation of proportionate and effective mitigating measures that reflect their distinct characteristics. The FATF Standards do not require jurisdictions to adopt regulatory frameworks for stablecoin arrangements beyond those that already apply to VASPs.

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## ENFORCEMENT //

### 13 FINANCIAL CONDUCT AUTHORITY

- 13.1 **Publication of misleading statements under Listing Rules - FCA publishes final notice - 4 March 2026** - The FCA has published a final notice fining John Wood Group PLC (the company) for breaches of LR 1.3.3R (misleading information must not be published) and Listing Principle 1 (a listed company must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations).

According to the FCA press release, following the poor performance of certain projects, the company's accounting judgements were inappropriately influenced by its desire to maintain previously stated financial results. The company did not have adequate systems, controls or procedures to prevent this from happening. This resulted in the publication of inaccurate information in its full-year 2022 and 2023 financial results and its half-year 2024 results.

[Final Notice](#)[Press release](#)

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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](#).

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