

# 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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## GENERAL //

### 1 EUROPEAN SYSTEMIC RISK BOARD

- 1.1 Recommendation on establishing EU systemic cyber incident co-ordination framework - ESRB publishes compliance report - 12 August 2025** - The European Systemic Risk Board (ESRB) has published its second compliance report (ESRB/2021/17) on the establishment of a pan-European systemic cyber incident co-ordination framework (EU-SCICF) under the Regulation on digital operational resilience for the financial sector ((EU) 2022/2554) (DORA). It had previously recommended that authorities start to gradually develop an effective, EU-level, co-ordinated response in case of a cross-border major cyber incident or related threat that could have a systemic impact on the EU's financial sector. Among other things, the report highlights the need for resource planning for the running of crisis management and contingency exercises.

[ESRB compliance report](#)

### 2 HM TREASURY

- 2.1 Reform of appointed representatives regime - HM Treasury publishes policy statement - 11 August 2025** - HM Treasury has published a policy statement on changes to the appointed representatives regime, following its December 2021 call for evidence on the same topic. The proposed changes seek to address two perceived regulatory gaps in the existing framework: first, the government intends to introduce a regulatory gateway so that FCA permission is needed to act as a principal firm. This will likely require an amendment to section 39 of the Financial Services and Markets Act 2000. A consultation on the design and implementation of the principal permission will be published in due course.

Second, the government will use a targeted extension of the Financial Ombudsman Service (FOS) compulsory jurisdiction to ensure that all consumers of regulated financial services, whether dealing with an authorised firm or an appointed representative, have access to the FOS. A more detailed proposal on this aspect of the reforms will follow.

[HM Treasury Policy Statement on the Appointed Representatives regime](#)

[Webpage](#)

### 3 FINANCIAL CONDUCT AUTHORITY

- 3.1 Cyber resilience insights - published by FCA - 14 August 2025** - The FCA has published a summary of discussions held throughout 2024 with industry members of the FCA's Cyber Coordination Group programme. The discussions focused on 3 key topics: the reconnection framework and third-party management; threat and vulnerability management and threat-led penetration testing; and AI and other emerging technologies, including quantum computing.

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Insights from members' positive and more challenging experiences of the issues within their firms have been made available so that firms can consider them, within the context of the FCA's existing expectations, to learn from other firms and to help strengthen their cyber resilience capabilities.

Members considered threat-led penetration testing to be an effective tool for identifying previously unknown cyber vulnerabilities. It was also noted that the threat from combined non-critical vulnerabilities could potentially cause as much, or more, harm than a single critical vulnerability. Cross-industry information sharing forums (such as Cross Market Operational Resilience Group or the Financial Services Information Sharing and Analysis Centre) were considered highly effective in enabling collective communication with third-party suppliers during significant outages.

#### [FCA Cyber Coordination Group Insights 2024](#)

## 4 FINANCIAL OMBUDSMAN SERVICE

- 4.1 **FOS funding model and case fees - consultation published** - 13 August 2025 - The Financial Ombudsman Service (FOS) has published a consultation paper on evolving its funding model and changes to its case fees, as part of its wider transformation. The consultation outlines options to differentiate case fees based on either the stage at which a complaint is resolved, or the outcome of the case, with lower fees proposed for cases that are not upheld. It also proposes replacing the current free case count with a £2,000 annual monetary allowance for respondent businesses and professional representatives. It further proposes introducing quarterly billing in advance for firms and professional representatives forecasted to have 25 or more cases annually. Responses are sought by 8 October 2025. Feedback is intended to inform the 2026/27 Plans and Budget consultation in November 2025, with implementation of approved changes expected from 1 April 2026.

[FOS Consultation Paper](#)

[Press release](#)

## 5 FINANCIAL MARKETS LAW COMMITTEE

- 5.1 **FCA consultation on stablecoin issuance and cryptoasset custody rules - FMLC responds** - 11 August 2025 - The Financial Markets Law Committee (FMLC) has published a response to the FCA's consultation on proposed rules and guidance for firms carrying on the regulated activities of issuing qualifying stablecoins and safeguarding qualifying cryptoassets (CP25/14). This consultation was published in May 2025 and previously reported in this Bulletin. The FMLC identifies several areas of potential legal uncertainty and matters which could result in unintended legal consequences. These relate largely to the current formulation of the "issuing qualifying stablecoin" activity and the proposed definition of "qualifying stablecoin". The paper also points to artificial distinctions between the functions of a custodian of securities and the

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functions of a custodian of a cryptoasset, noting that the consultation does not discuss the potential appointment of sub-custodians.

[FMLC consultation response to CP25/14 on Stablecoin Issuance and Cryptoasset Custody](#)

[Webpage](#)

## BANKING AND FINANCE //

### 6 EUROPEAN BANKING AUTHORITY

- 6.1 Postponement of FRTB - EBA responds - 8 August 2025** - The European Banking Authority (EBA) has published a statement confirming its response to the postponement in the EU of the fundamental review of the trading book (FRTB) under Article 461a of the Capital Requirements Regulation (575/2013) (CRR). The European Commission has adopted a Delegated Regulation in June 2025 to delay the application date of the FRTB until 1 January 2027, as previously reported in this Bulletin. The statement confirms that the EBA's August 2024 no-action letter on issues relating to the boundary between the banking book and the trading book in the CRR will remain fully valid. The EBA's comments on specific issues arising from the delay (such as market risk contribution to the output floor) will also remain valid during the extended postponement period.

[EBA statement](#)

[Press release](#)

- 6.2 2026 benchmarking - EBA publishes amending ITS - 8 August 2025** - The EBA has published the final report (EBA/ITS/2025/07) setting out final draft implementing technical standards (ITS) amending Commission Implementing Regulation (EU) 2016/2070 with regard to the benchmarking of internal models for the 2026 benchmarking exercise under the CRD IV Directive (2013/36/EU). This exercise is used by competent authorities to assess the quality of internal approaches used for calculating own funds requirements. The draft ITS will be submitted to the European Commission for endorsement, before being published in the Official Journal of the European Union. The amended ITS will apply 20 days after publication.

[EBA Amending draft ITS on benchmarking of internal models](#)

### 7 SINGLE RESOLUTION BOARD

- 7.1 Operational guidance on separability and transferability for transfer tools - SRB consults - 13 August 2025** - The Single Resolution Board (SRB) has published a consultation on updated operational guidance for banks on separability and transferability for transfer tools to align it with the guidance on resolvability self-assessment. The SRB also published for consultation draft operational guidance on transfer playbooks, to complement the main guidance. A related press

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release notes that this update does not introduce new deliverables, but aims to make existing ones more effective and to ensure a more efficient use of resources.

The consultation will run until 22 October. The SRB will meet the banking industry and other relevant stakeholders in September 2025 to address any questions before the consultation period ends. The finalised updated guidance will apply from the 2026 resolution planning cycle.

#### [SRB Consultation on operational guidance](#)

#### [Operational guidance on Transfer Playbooks](#)

#### [Webpage](#)

#### [Press Release](#)

## 8 BANK OF ENGLAND

- 8.1 National Payments Vision - Bank of England publishes webpage - 13 August 2025** - The Bank of England has published a new webpage on the National Payments Vision (NPV), largely reflecting the announcements made by HM Treasury and the Bank of England in July 2025 on the work of the Payments Vision Delivery Committee (PVDC).

The webpage sets out more information on the timings for the work to be undertaken by the PVDC in H2 2025, expanding on the July 2025 announcements. In September 2025, the Bank of England intends to publish further communications on the establishment of the Retail Payments Infrastructure Board (RPIB) and the application process for membership of RPIB. In the same month, the BoE, HM Treasury, the FCA and the Payment Systems Regulator (PSR) will engage with members of the Vision Engagement Group (VEG) to discuss the PVDC's strategy.

The Bank of England intends to hold the first meeting of the RPIB in late October 2025, following the appointment of the RPIB's members. It will publish information on its approach to wider stakeholder engagement and the processes by which the RPIB will publish a consultation in early 2026. The PVDC also intends to publish its strategy for retail payments infrastructure in October or November 2025. The PVDC intend to publish a forward plan for payments before the end of 2025.

#### [New webpage on the National Payments Vision](#)

#### [Webpage on the Vision Engagement Group](#)

## 9 FINANCIAL CONDUCT AUTHORITY

- 9.1 Wholesale banks supervision - FCA sets out range of review findings - 7 August 2025** - The FCA has published a webpage setting out the findings from its multi-firm reviews and other supervisory work involving wholesale banks.

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The FCA reviewed the activities of seven wholesale banks active in share buybacks in UK listed equities. It has published the findings of this review separately. The FCA did not find any material concerns and notes that, in respect of structured buybacks, the FCA did not find unmanaged conflicts in the way the products were executed. The FCA will publish a separate multi-firm review on bank approaches to best execution in the context of share buybacks later in 2025.

The FCA undertook a review of the processes through which six wholesale banks assessed transaction risk, also publishing the findings separately. Each bank provided details of the 50 most recent transactions submitted to its transaction governance committees. The FCA did not find widespread weaknesses, but notes that banks' risk appetite statements generally covered financial risks more clearly and comprehensively than non-financial risks. The FCA also notes that best practice involves setting out in detail the bank's appetite for reputational risk, defining it qualitatively and quantitatively, and with clear escalation thresholds and monitoring. Banks with the weakest approaches had risk appetite statements that considered reputational risk only on a cursory basis.

Also published separately are the FCA's findings on the processes through which 11 wholesale banks managed off-channel communications (meaning those taking place outside of the monitored, recorded channels permitted by a firm). Among other things, the FCA observed examples of non-compliance with policies on the use of personal mobiles on the dealing floor. The FCA found that the handling of a particular incident potentially highlights a wider issue about first-line management culture when non-compliance is not addressed.

The underlying webpage on wholesale bank supervision also sets out the FCA's findings relating to gift and entertainment registers and related policies and procedures; conflicts of interest registers; inside information (referring in particular to poorly-maintained insider lists); and compliance with the FCA's Client Assets Sourcebook (including in relation to the misuse of title transfer collateral arrangements).

[New webpage on wholesale banks supervision](#)

[Review of share buybacks in UK listed equities](#)

[Multi-firm review into off-channel communications](#)

[Transaction governance in wholesale banks webpage](#)

- 9.2 Sustainability-linked loans market - FCA publishes letter - 14 August 2025** - The FCA has published a letter it has sent to the heads of sustainable finance at banks involved in the sustainability-linked loans (SLLs) market.

The letter sets out insights from the FCA's ongoing engagement with banks active in the SLL market since publishing the findings of a review of the market in June 2023. The insights relate to the areas of concern highlighted by the FCA in 2023. These include market integrity and credibility improvements (with particular reference to how banks account for SLLs in their sustainable financing targets). They also include barriers relating to incentives and conflicts of

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interest. The FCA comments that there are still barriers preventing some borrowers such as SMEs from using SLLs, including the costs of developing an internal reporting framework, acquiring mandatory external assurance and the large loan sizes required.

The FCA encourages banks to engage collaboratively with the work of the Transition Finance Council and the Loan Market Association, with the aim of building alignment in approaches to transition finance. It plans to continue monitoring the market and welcomes feedback and engagement on the contents of the letter.

### [FCA correspondence on the sustainability-linked loans market](#)

#### [Press release](#)

- 9.3 Design of future entity for open banking - FCA publishes feedback statement - 8 August 2025 -** The FCA has published a feedback statement (FS25/4) following the Joint Regulatory Oversight Committee's proposals, published in April 2024, on the design of the future entity for UK open banking.

The FCA no longer plans to set up an interim entity. Subject to future legislation, it expects the future entity to be the primary standard-setting body for open banking application programming interfaces in the UK. This body will be a company limited by guarantee and not-for-profit business, with board appointments made by an independent committee. It will not have its own enforcement powers. In the future, its role may expand into open finance more broadly. Separate to the future entity, the FCA expects there to be a competitive layer of industry-led open banking schemes, operating commercially, that will develop the rules that govern how firms interact.

### [FCA feedback statement \(FS25/4\)](#)

#### [New webpage](#)

#### [Press release](#)

## **10 PAYMENT SYSTEMS REGULATOR**

- 10.1 UK payments ecosystem - PSR revokes Specific Directions - 13 August 2025 -** The Payment Systems Regulator (PSR) has published its decision to revoke Specific Direction 2 (SD2) and Specific Direction 2a (SD2a). SD2 requires all central infrastructure for Bacs to be competitively procured. As the operator of Bacs, Pay.UK is legally bound by these requirements. The deadline for complying with SD2 was removed and replaced with a power for the PSR to set a new one, and this change was implemented through SD2a. The PSR has given a Specific Direction to Pay.UK to that effect which will come into force on 27 August 2025.

The PSR has also published its decision to revoke Specific Direction 4 (SD4) and Specific Direction 4a (SD4a). SD4 was introduced in June 2017 as one of the remedies imposed following the PSR's market review of payment infrastructure provision. Due to changes in market conditions, the PSR



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considers that a competitive tender obligation, as required by SD4, may no longer be an effective way to address the competition issues found when it was introduced. It has given a Specific Direction to LINK to that effect which will come into force on 25 August 2025.

[PSR Policy Statement on Decision to revoke Specific Direction 2 \(and SD2a\) \(PS25/7\)](#)

[PSR Policy Statement on Decision to revoke Specific Directions 4 and 4a \(PS25/6\)](#)

## 11 COMPETITION AND MARKETS AUTHORITY

- 11.1 Release of retained SME banking undertakings - CMA consults on provisional decision - 13 August 2025** - The Competition and Markets Authority (CMA) has published a consultation on its proposed decision that the limitation on bundling provisions in the 2002 small and medium-sized enterprises banking undertakings is no longer appropriate and should be released due to changes to the competitive landscape in relevant SME banking markets.

These undertakings have prevented relevant banks from requiring, as a condition of granting a business loan or approving the opening of a business deposit account, that the SME customer should open or maintain a business current account with the bank (referred to as the ‘limitation on bundling provisions’).

The CMA invites comments by 3 September 2025. It plans to publish its final decision in autumn 2025.

[CMA provisional decision](#)

# SECURITIES AND MARKETS //

## 12 EUROPEAN COMMISSION

- 12.1 Access to market data and trade transparency under MiFIR - European Commission consults on draft Delegated Regulation - 8 August 2025** - The European Commission has published for consultation a draft Delegated Regulation (Ares(2025)6488255) amending Commission Delegated Regulation (EU) 2017/567, which supplements the Markets in Financial Instruments Regulation (600/2014) (MiFIR) with regard to definitions, transparency, portfolio compression, and supervisory measures on product intervention and positions.

The proposed changes reflect and implement the amendments to MiFIR and the MiFID II Directive (2014/65/EU) made by Regulation (EU) 2024/791 (MiFIR II) and Directive (EU) 2024/790 (MiFID III), with a view to improving access to market data and trade transparency. The changes include, among others, amending provisions relating to the definition of a “liquid market” (in particular, replacing the “free float” with the “market capitalisation” criterion and clarifying certain other issues around the liquidity assessment for equity instruments). They also deal with post-trade risk reduction services for the purposes of the exemption in Article 31(1) of MiFIR.



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Comments can be made on the draft until 5 September 2025. The Commission plans to adopt the draft Delegated Regulation in Q4 2025.

[European Commission webpage](#)

## 13 BANK OF ENGLAND

- 13.1 UK EMIR trade repository reporting requirements - Bank of England publishes policy statement on changes - 8 August 2025** - The Bank of England has published a policy statement on amendments to trade repository reporting requirements under UK EMIR (648/2012), providing a summary of the feedback received to a June 2025 consultation on the same topic.

The Bank of England intends to proceed with amendments as consulted, namely: the addition of “execution agent” as a new reporting field; and an amendment to correct a cross-referencing error. To support industry implementation, the Bank of England and the FCA have published additional materials - including final validation rules - alongside the policy statement. The implementation date is 26 January 2026.

[Policy Statement](#)

- 13.2 UK EMIR derivative reporting requirements - Bank of England and FCA publish consultation paper - 8 August 2025** - The Bank of England and the FCA have published a consultation paper on additional draft Q&As and derivative reporting requirements under UK EMIR (648/2012). The additional Q&As address the reporting of a technical International Securities Identification Number (ISIN) and foreign exchange (FX) swaps (either as a combination of two FX forward contracts (near and far legs) or a single FX swap contract).

The consultation closes to comments on 12 September 2025. The finalised Q&As are expected to be published in October 2025.

[Bank of England consultation paper](#)

[FCA webpage on derivative reporting requirements under UK EMIR](#)

# FINANCIAL CRIME //

## 14 EUROPEAN BANKING AUTHORITY

- 14.1 Use of AML and CTF SupTech tools - EBA publishes report - 12 August 2025** - The EBA has published a report (EBA/Rep/2025/23) on the use of technology tools in anti-money laundering (AML) and counter-terrorist financing (CTF) supervision (SupTech). The report notes that the adoption of AML and CTF SupTech is still at an early stage, but improved collaboration, better data quality and analytics, and more efficient risk identification are already visible. Challenges to adoption include poor data quality and governance, limited resources, legal uncertainty, operational risks and friction related to institutional transformation. The EBA states in a related

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press release that it will continue to support national competent authorities and the new Anti-Money Laundering and Countering the Financing of Terrorism Authority (AMLA) in strengthening their use of technology and fostering innovation in AML and CTF supervision.

[EBA report on the use of AML/CTF SupTech tools \(EBA/Rep/2025/23\)](#)

[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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