

FINANCIAL REGULATION WEEKLY BULLETIN

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

QUICK LINKS

[Selected Headlines](#)

[General](#)

[Banking and Finance](#)

[Securities and Markets](#)

[Insurance](#)

[Financial Crime](#)

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

De-prioritisation of certain financial services legislation - [1.1](#)
European Commission publishes letter

Banking and Finance

How innovation is reshaping the financial system - Bank
of England publishes speech [4.1](#)

Motor finance consumer redress scheme - FCA publishes
consultation paper [5.2](#)

Expectations for motor finance lenders and brokers -
FCA publishes Dear CEO letter [5.3](#)

Securities and Markets

ESMA - Work programme for 2026 published [6.1](#)

The MiFID Org Regulation - FCA and PRA publish policy
statements [7.1](#)

Insurance

Solvency II - EIOPA launches series of consultations
arising from review of framework [8.1](#)

Financial Crime

Information sharing under ECCTA 2023 - UK Government
publishes guidance [10.1](#)

Selected Headlines

[General](#)[Insurance](#)[Banking and Finance](#)[Financial Crime](#)[Securities and Markets](#)

GENERAL //

1 EUROPEAN COMMISSION

- 1.1 De-prioritisation of certain financial services legislation - European Commission publishes letter - 6 October 2025** - The European Commission has published a letter sent to the Anti-Money Laundering Authority (AMLA), the EBA, EIOPA and ESMA (collectively the European Supervisory Authorities (ESAs)) regarding the deprioritisation of certain implementing and delegated acts (Level 2 acts) relating to financial services.

The Commission explains that the EU acquis has grown significantly in financial services. Level 1 legislation (that is, EU Directives and Regulations) adopted between 2019-2024 has empowered the Commission to adopt 430 Level 2 acts. Following a process of categorisation, the Commission concludes that 115 empowerments can be considered non-essential for the effective functioning of the Level 1 legislation, and these are annexed to the letter. These include implementing and regulatory technical standards under the Capital Requirements Regulation ((EU) 575/2013), MiFID (2014/65/EU) and EMIR (648/2012).

Going forward, the Commission will adopt a two-step approach. First, it will not adopt the listed non-essential Level 2 acts before 1 October 2027. Second, it will propose to amend or repeal the empowerments for non-essential Level 2 acts, where there is an obligation to act within a specified deadline, in the context of any ongoing amendments of relevant Level 1 legislation. It is noted that a substantial number of the relevant Level 1 acts will be reviewed within the next two years.

[Letter](#)

2 HM TREASURY

- 2.1 G7 Cyber Expert Group on AI and cyber security - HM Treasury publishes statement - 6 October 2025** - HM Treasury has published a statement on AI and cyber security from the G7 Cyber Expert Group (CEG). The CEG advises G7 Finance Ministers and Central Bank Governors on cybersecurity policy issues critical to the financial system's security and resilience.

The statement aims to raise awareness of cyber security in the context of rapid AI development, and to outline key considerations for financial institutions, regulatory authorities, and other stakeholders that support security and resilience in the financial sector. Although not acting as guidance or regulation, it intends to illustrate the potential for AI to strengthen cyber defences, amplify existing threats, and expose vulnerabilities rooted in AI system design and data storage.

[HM Treasury Statement: G7 Cyber Expert Group on AI and cyber security](#)[Updated webpage](#)

Selected Headlines

[General](#)[Insurance](#)[Banking and Finance](#)[Financial Crime](#)[Securities and Markets](#)

3 FINANCIAL CONDUCT AUTHORITY

- 3.1 FCA and Practitioner Panel Survey 2024/25 - FCA publishes report - 3 October 2025** - The FCA has published a report on findings from the FCA and Practitioner Panel Survey (FCAPP) for 2024-25. The FCAPP, based on a survey of chief executives and/or heads of compliance from a range of FCA regulated firms, is used by the FCA to judge its performance and progress against its objectives.

The FCA found that firms' views remain broadly consistent with previous years, with most having a positive perception of the FCA's performance and trust in its ability to deliver strategic priorities. Areas of focus for the future, highlighted by a downward trend in scores, include confidence in the FCA to promote effective competition, consistency of FCA supervisors' approach, and the volume and purpose of data requests made of firms. The survey also identified that there can be significant differences between sectors. Finally, the FCA observes that, since the survey data was collected in February and March 2025, it has launched its first 5-year strategy which has been very positively received.

[FCAPP Report 2024/25](#)

BANKING AND FINANCE //

4 BANK OF ENGLAND

- 4.1 How innovation is reshaping the financial system - Bank of England publishes speech - 8 October 2025** - The Bank of England has published a speech by Sasha Mills, Executive Director, Financial Market Infrastructure, on how innovation is reshaping the financial system in which she reiterates the Bank's commitment to supporting responsible innovation.

Among other things, Mills emphasises the importance of robust risk management to ensure resilience in distributed ledger technology (DLT) systems. This includes mitigating new cyber risks, such as those stemming from the interconnectedness of DLT systems (e.g. through cross-chain bridges) and ensuring that wholesale users of these systems have clarity on who is responsible for ensuring resilience to stress. Mills further flags that the Bank is designing a synchronisation interface which will allow for the conditional settlement of funds in the Real-Time Gross Settlement (RTGS) service against assets on a variety of external ledgers, including DLT ledgers.

Mills also comments on the introduction of stablecoins into the market, highlighting remarks recently made by Andrew Bailey, Governor of the Bank of England. She observes that stablecoins could potentially change market structures, weakening the link between money and credit creation, and that in future we could see more market-based finance instead. This is, however, unlikely to happen immediately, and in the meantime applying holding limits to stablecoins could allow the Bank to learn more about the potential impact on the cost and availability of credit. The Bank will set out proposals for regulating systemic stablecoins further in a consultation paper this year.

Selected Headlines

[General](#)[Insurance](#)[Banking and Finance](#)[Financial Crime](#)[Securities and Markets](#)[Speech](#)

5 FINANCIAL CONDUCT AUTHORITY

- 5.1 UK open banking and open finance - FCA publishes research note - 6 October 2025** - The FCA has published a third-party research note on the open banking and open finance data-sharing schemes in the UK. The note aims to provide an evidence-based understanding of the current state of open banking services, and inform the development of a strategic framework and theory of change for establishing open finance. The findings do not reflect FCA views or policy positions.

Among other things, the note highlights that open banking has made steady progress and growth has been gradual, and suggests that open finance could follow a similar trajectory. It is also observed that developing a coherent regulatory framework for open finance will require early alignment across regulators, commercially viable incentive structures, and investment in shared infrastructure.

The FCA has also published a new webpage outlining its next steps relating to open finance and open banking. These include: the launch of two TechSprints in Autumn 2025 focused on SME finance and mortgages; exploring smart data use cases across sectors and internationally; and publishing an open finance roadmap by March 2026.

FCA research note: Open banking and open finance

Webpage

- 5.2 Motor finance consumer redress scheme - FCA publishes consultation paper - 7 October 2025** - The FCA has published a consultation paper (CP25/27) on a proposed motor finance redress scheme. The paper sets out a detailed proposal for an industry-wide redress scheme intended to compensate motor finance customers who were treated unfairly. According to FCA estimates, the scheme will apply to 44% of all agreements made since 2007 and could cost the industry approximately £11bn, assuming 85% of eligible customers were to participate.

The proposed scheme would cover regulated motor finance agreements taken out by consumers between 6 April 2007 and 1 November 2024 where commission was payable by the lender to the broker. The scheme would consider whether there had been adequate disclosure of the commission arrangements and any contractual ties between lenders and brokers, and the proposed rules would apply to lenders and brokers. The consultation paper further details the “relevant arrangements” that must have been present in order for a consumer to be entitled to redress under the scheme, how these consumers will be identified, and how redress would be calculated (where there is no de minimis threshold under the proposals). The FCA expects eligible consumers to receive an average of around £700 per agreement.

The FCA is seeking comments on its redress scheme proposals by 18 November 2025. If the FCA decides to introduce a redress scheme, it expects to publish its policy statement and final rules by early 2026. The FCA proposes that the scheme would launch at the same time, with consumers starting to receive compensation later in 2026. The FCA is also consulting on further extending how long firms have to provide a final response to motor finance complaints, from 4

Selected Headlines

[General](#)[Insurance](#)[Banking and Finance](#)[Financial Crime](#)[Securities and Markets](#)

December 2025 to 31 July 2026 (with the exception of complaints relating to leasing agreements). Comments are sought on this specific proposal by 4 November 2025.

FCA consultation paper: Motor finance redress scheme (CP25/27)[Webpage](#)[Press release](#)

- 5.3 Expectations for motor finance lenders and brokers - FCA publishes Dear CEO letter - 7 October 2025** - The FCA has published a Dear CEO letter sent to all firms involved in motor finance lending and broking from 2007, following publication of its consultation paper on an industry wide redress scheme (CP25/27, see item above). The FCA emphasises that lenders and brokers should not wait for the consultation's outcome and should instead prepare now to deal with their existing portfolio of complaints and for a potential redress scheme. The FCA will support lenders and brokers as they prepare and will take a pragmatic and proportionate approach.

The FCA sets out its expectations for what these firms should do now. For lenders, this includes establishing, to the extent possible, the extent to which they can identify impacted consumers (and planning for how to plug any gaps); carrying out due diligence on any acquired portfolios to establish responsibilities for any redress liabilities; and acting to review and, where necessary, strengthen systems and controls so they can deliver accurate redress at scale. For brokers, this includes identifying the lenders used for motor finance loans, and assessing the types and volumes of documents held. Senior managers at both lenders and brokers are expected to take responsibility for ensuring their firm is ready for any redress scheme.

Lenders and brokers must notify the FCA promptly of anything that may materially affect their ability to meet their obligations. Where the FCA finds evidence that any firm is not sufficiently preparing or cooperating fully, it will not hesitate to act and, if necessary, use the full range of regulatory tools. Lenders must not act in a way that could delay the provision of redress, including the movement of assets out of regulated entities, changes to group structures or transactions designed to shield resources from potential liabilities.

Dear CEO letter

- 5.4 Expectations for CMCs involved in motor finance commission claims - FCA publishes Dear CEO letter - 7 October 2025** - The FCA has published a Dear CEO letter sent to claims management companies (CMCs) involved in motor finance commission claims, following publication of its consultation paper on an industry wide redress scheme (CP 25/27, see item above). The FCA summarises the key issues it is monitoring, as well as what it expects from firms engaging in the scheme on behalf of consumers when it comes into effect.

Of particular interest, the FCA highlights that CMCs should:

- act to ensure consumers are not engaging with more than one representative without fully understanding the implications;

Selected Headlines

[General](#)[Insurance](#)[Banking and Finance](#)[Financial Crime](#)[Securities and Markets](#)

- prepare for consumers seeking to exit contracts to participate directly in the redress scheme, and remedy any potentially excessive termination fees (for example, where termination fees are in the same range as the typical success fee for a claim); and
- not request excessive or unnecessary information from respondent firms, nor place undue burden on respondent firms.

The FCA requests prompt engagement if firms identify issues requiring investigation or remediation.

[Dear CEO letter](#)

SECURITIES AND MARKETS //

6 EUROPEAN SECURITIES AND MARKETS AUTHORITY

- 6.1 ESMA - Work programme for 2026 published - 3 October 2025** - The European Securities and Markets Authority (ESMA) has published its annual work programme for 2026 (ESMA22-50751485-1604). ESMA provides an overview of its initiatives prioritised for 2026 within the programme, setting out the objectives and specific outputs for each initiative with intended timings.

ESMA further explains that it will work to implement legislation that was agreed by the EU co-legislators under the previous legislature, including EMIR 3 ((EU) 2024/2987) and the development of the European Single Access Point (ESAP). It will also look to grow its supervisory responsibilities through the authorisation and supervision of consolidated tape providers (CTPs) and ESG rating providers, as well as the extension of the supervision of third-party benchmarks. Additionally, 2026 will be the first year where ESMA will exercise its joint oversight mandate under the Regulation on digital operational resilience for the financial sector ((EU) 2022/2554) (DORA).

Finally, ESMA will look to integrate simplification and burden reduction (SBR) principles in the delivery of all upcoming policy mandates. A separate document outlining ESMA's approach to SBR was published alongside the work programme.

[ESMA work programme 2026](#)[ESMA: Simplification and burden reduction approach](#)[Press release](#)

7 FINANCIAL CONDUCT AUTHORITY AND PRUDENTIAL REGULATION AUTHORITY

- 7.1 The MiFID Org Regulation - FCA and PRA publish policy statements - 9 October 2025** - The FCA has published a policy statement (PS25/13) setting out how it will transfer the firm-facing requirements of the Markets in Financial Instruments Directive Organisational Regulation (MiFID Org Reg) (Commission Delegated Regulation (EU) 2017/565) into FCA Handbook rules. This

Selected Headlines

[General](#)[Insurance](#)[Banking and Finance](#)[Financial Crime](#)[Securities and Markets](#)

follows its July and November 2024 consultation papers (CP24/11 and CP24/24 respectively) on its proposed changes, as reported previously in this bulletin.

The FCA explains that all respondents agreed with its general approach of restating the obligations in the MiFID Org Reg in its Handbook with no policy change. Most feedback related to specific provisions or rules where respondents felt the FCA's proposed drafting had inadvertently expanded the scope of rules or definitions, leading to a small number of minor changes to improve clarity and accuracy. Additionally, respondents agreed to the deletion of the requirement to report a 10% drop in portfolio value to a retail client from COBS 16A.4.3UK so it no longer applies as a rule to optional exempt (Article 3) firms, in line with MiFID firms, and proposed amendments to the 'durable medium' Glossary definition.

The rules within the transfer instrument will come into force on 23 October 2025. The changes to the durable medium definition will come into force three months after the publication of the final rules, on 12 January 2026.

Separately, the PRA has published a policy statement (PS16/25) setting out how it will restate the organisation requirements for firms contained in the MiFID Org Reg in the PRA Rulebook, with no material changes. These changes will also come into effect on 23 October 2025.

[FCA policy statement: MiFID Organisational Regulation transfer \(PS25/13\)](#)

[PRA policy statement: MiFID Organisational Regulation restatement \(PS16/25\)](#)

INSURANCE //

8 EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY

8.1 Solvency II - EIOPA launches series of consultations arising from review of framework - 9 October 2025 - The European Insurance and Occupational Pensions Authority (EIOPA) has published six new consultation papers stemming from the recent review of the Solvency II framework, which aims to implement targeted improvements in the regulation and supervision of (re)insurers across Europe. The consultation papers cover topics ranging from the calculation of the risk margin to supervisory powers for addressing deficiencies in insurers' liquidity management. More specifically, the consultation papers concern:

- revised implementing technical standards (ITS) on disclosure templates for supervisory authorities and on the treatment of matching adjustment;
- revised guidelines on the valuation of technical provisions and on ring-fenced funds;
- regulatory technical standards (RTS) on the simplified calculation of the risk margin; and
- guidelines on supervisory powers on liquidity vulnerabilities;

The deadline for comments is 5 January 2026.

[Press Release](#)

Selected Headlines

[General](#)[Insurance](#)[Banking and Finance](#)[Financial Crime](#)[Securities and Markets](#)

FINANCIAL CRIME //

9 EUROPEAN BANKING AUTHORITY

- 9.1 Competent authorities' approach to AML and CTF banking supervision - EBA publishes final report - 8 October 2025** - The European Banking Authority (EBA) has published its final report summarising the findings of a stocktake of actions taken by 39 national competent authorities (NCAs) to tackle anti-money laundering (AML) and counter-terrorist financing (CTF) in the banking sector. The report reviews the NCAs' progress in addressing earlier findings made by the EBA between 2018 and 2024 and sets out recommendations to improve AML and CTF supervision as part of a multi-year review programme.

[EBA final report: Competent authorities' approach to AML and CTF \(EBA/REP/2025/27\)](#)

[Press Release](#)

- 9.2 Tackling money laundering and terrorist financing risk in cryptoasset services - EBA publishes report - 9 October 2025** - The European Banking Authority (EBA) has published a report on tackling money laundering (ML) and terrorist financing (TF) risks in cryptoasset services, including issuance, trading and service provision. The report draws on lessons learnt from recent supervisory cases across the EU and highlights how competent authorities can strengthen their approaches to supervision in this sector.

[EBA report: Tackling ML and TF risk in cryptoasset services \(EBA/REP/2025/28\)](#)

[Press Release](#)

10 UK GOVERNMENT

- 10.1 Information sharing under ECCTA 2023 - UK Government publishes guidance - 6 October 2025** - The UK Government (comprising the Home Office, HM Treasury, the Ministry of Justice, Companies House, the Serious Fraud Office and the Department for Business and Trade) has published updated guidance on the information sharing measures in the Economic Crime and Corporate Transparency Act 2023 (ECCTA). The guidance aims to support anti-money laundering (AML) regulated firms, within Schedule 9 to the Proceeds of Crime Act 2023, to utilise new information sharing provisions introduced under ECCTA.

These voluntary new measures came into force on 15 January 2024 and have been put in place to provide greater clarity and comfort to AML regulated firms when sharing customer information, either directly or through a third party, for the purposes of preventing, detecting or investigating economic crime.

The guidance includes information on the policy intent of the measures, how firms can ensure they are protected when undertaking direct and indirect sharing and UK General Data Protection regulation (GDPR) compliance.

[UK Government: Information sharing guidance under ECCTA 2023](#)

Selected Headlines

General

Beyond Brexit

Banking and Finance

Securities and Markets

Asset Management

Insurance

Financial Crime

Enforcement

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:

Jan Putnis	jan.putnis@sllaughterandmay.com
Nick Bonsall	nick.bonsall@sllaughterandmay.com
David Shone	david.shone@sllaughterandmay.com
Kristina Locmele	kristina.locmele@sllaughterandmay.com
Sabine Dittrich	sabine.dittrich@sllaughterandmay.com

London
T +44 (0)20 7600 1200
F +44 (0)20 7090 5000

Brussels
T +32 (0)2 737 94 00
F +32 (0)2 737 94 01

Hong Kong
T +852 2521 0551
F +852 2845 2125

Beijing
T +86 10 5965 0600
F +86 10 5965 0650

Published to provide general information and not as legal advice. © Slaughter and May, 2025.
For further information, please speak to your usual Slaughter and May contact.

www.slaughterandmay.com