

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

1 EUROPEAN PARLIAMENT, COUNCIL OF THE EU AND EUROPEAN COMMISSION

- 1.1 **One Europe, One Market Roadmap - European Parliament, Council of the EU and European Commission publish Joint Declaration - 24 April 2026** - The European Parliament, the Council of the EU and the European Commission have signed a Joint Declaration committing to deliver the "One Europe, One Market" roadmap. The roadmap is organised around five building blocks: simplifying rules; a more integrated Single Market (including removal of the ten most harmful barriers); championing strong trade; reducing energy prices and decarbonising; and driving the digital and AI transformation.

The annex to the roadmap sets out key legislative and policy initiatives across the five strategic building blocks and corresponding timelines for agreement. These include the EU securitisation framework, amendments to the banking framework, and the EU Cybersecurity Act.

The three institutions have committed to respecting these timelines and giving these initiatives the highest political priority in a manner that respects the legislative process and prerogatives of each institution. Building on existing monitoring processes, the institutions will ensure regular stocktaking to oversee and guide the implementation of the roadmap, and meet on a quarterly basis to review progress. Clear institutional responsibilities are set in line with each institutions' prerogatives.

[One Europe, One Market Roadmap](#)

[Press release](#)

2 BANK OF ENGLAND AND PRUDENTIAL REGULATION AUTHORITY

- 2.1 **Approach to cost benefit analysis - Bank of England and PRA publish Statements of Policy - 29 April 2026** - The Bank of England (the Bank) and the PRA have published Statements of Policy (SoPs) setting out their respective approaches to cost benefit analysis (CBA) under the Financial Services and Markets Act 2000. The Bank's SoP covers how it will conduct CBA when using its rule-making powers in respect of recognised central counterparties (CCPs) and central securities depositories (CSDs), while the PRA's SoP (SoP14/24) sets out how the PRA will conduct CBA in relation to its rules for PRA-regulated firms.

[Bank of England statement of policy: Approach to cost benefit analysis](#)

[PRA statement of policy: Approach to cost benefit analysis \(SoP14/24\)](#)

3 FINANCIAL CONDUCT AUTHORITY

- 3.1 **Cyber Coordination Group programme - FCA publishes 2025 industry insights - 24 April 2026** - The FCA has published a summary of discussions held throughout 2025 with industry members of its Cyber Coordination Group (CCG) programme, which brings together up to 140 firms. The

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insights draw on contributions from up to 140 member firms and address three key topics: incident response and recovery at scale; firms' approaches to adopting emerging technologies and their implications for cyber resilience; and insider risk management from a cyber resilience perspective. The FCA is making these insights available so that firms can consider and learn from them, rather than introducing additional regulatory expectations.

[FCA insights: Cyber Coordination Group insights 2025](#)

BANKING AND FINANCE //

4 HM TREASURY

- 4.1 The Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026 - 30 April 2026** - The Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026 (the Regulations) have been published, together with an explanatory memorandum. By way of background, the UK Capital Requirements Regulation (UK CRR) was revoked by the Financial Services and Markets Act 2023, subject to commencement. This revocation allows detailed, firm-facing regulatory requirements to be set under the 'FSMA model' of regulation in which requirements are largely set in PRA rules.

The Regulations restate in legislation certain definitions that are currently in the UK CRR and need to be maintained in legislation to ensure that the overall framework and wider legislation for banking prudential regulation continues to operate as intended. The legislation improves the clarity of certain definitions and makes them consistent with the approach adopted in UK law, but does not intend to change the substance of the definitions or alter the wider regulatory framework.

The Regulations come into force on 1 January 2027, the date on which UK CRR is revoked.

[Statutory Instrument](#)

[Explanatory Memorandum](#)

5 BANK OF ENGLAND

- 5.1 Maintaining momentum: progress in mutual supervision - Bank of England publishes speech - 28 April 2026** - The Bank of England has published a speech delivered by Charlotte Gerken, Executive Director for UK Deposit Takers Supervision, on progress in mutual supervision and outlining next steps following the PRA's and FCA's joint "Mutuals Landscape" report published in December 2025.

Of particular interest, Gerken noted that some mutuals are undertaking more complex activities than was envisaged under the original legislation. The PRA's aim is to ensure that its credit union regulatory framework keeps pace with greater size and complexity in the sector, while ensuring there is appropriate proportionality. As such, the PRA will be engaging with the sector later in the year to explore some of these issues further, and strongly encourages credit unions, other

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mutuals and representative bodies to engage. Gerken further highlighted and expanded upon two key areas that remain in need of industry and regulatory attention: building societies' capital planning, and the persistent pressure on operating costs, including from the implementation of significant IT programmes or the need to attract key personnel.

Speech

6 FINANCIAL CONDUCT AUTHORITY

6.1 Simplifying consumer credit financial promotions rules - FCA launches consultation on CONC 3 - 29 April 2026 - The FCA has published a consultation paper (CP26/15) on simplifying its financial promotions rules for consumer credit in chapter 3 of its Consumer Credit sourcebook (CONC 3), aiming to remove duplicative, outdated or overly prescriptive requirements. For example, the FCA proposes to remove CONC 3.5.12R, which sets out a series of 'restricted expressions' that firms must not use in financial promotions unless specific conditions are met. Instead, the FCA seeks to place greater reliance on the Consumer Duty to ensure that firms' communications meet consumers' information needs and are likely to be understood. In addition, the FCA proposes to make minor amendments to reflect changes made by the Digital Markets, Competition and Consumer Act 2024.

These changes are not expected to reduce consumer protection. The FCA is retaining specific CONC 3 rules where they provide clarity that cannot be delivered through the Consumer Duty alone, or where they provide important protections such as the private right of action under CONC 3.3.1R, which isn't available for breaches of the Consumer Duty.

In an accompanying discussion chapter, the FCA is seeking views on the future of cost-of-credit disclosure, including the Annual Percentage Rate (APR) and possible alternative or supplementary metrics, supported by consumer research, to inform whether further policy intervention is justified. The deadline for responses to both the consultation and the discussion questions is 17 June 2026.

[FCA consultation paper: Reviewing the financial promotion rules for consumer credit \(CP26/15\)](#)

[Webpage](#)

[FCA Research Note](#)

SECURITIES AND MARKETS //

7 EUROPEAN SECURITIES AND MARKETS AUTHORITY

7.1 European equity market structure - ESMA publishes call for evidence - 30 April 2026 - The European Securities and Markets Authority (ESMA) has published a call for evidence presenting analysis of the evolution of trading in European equity markets between 2022 and 2025, based on transaction reporting data mandated under the Markets in Financial Instruments Regulation

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(600/2014) (MiFIR). The Call for Evidence invites stakeholder feedback on observed trends and their potential regulatory implications. Comments are invited by 30 June 2026, and ESMA expects to publish a feedback statement in the second half of 2026.

[ESMA call for evidence: Market structure of European equity markets \(ESMA74-1119406008-1578\)](#)

Press release

- 7.2 Sixth ESMA stress test exercise for central counterparties - ESMA launches exercise and publishes framework - 30 April 2026** - The European Securities and Markets Authority (ESMA) has launched its sixth stress test exercise for central counterparties (CCPs) under the European Market Infrastructure Regulation ((EU) No 648/2012) (EMIR), covering 16 CCPs. The stress test aims to assess the resilience of CCPs to adverse market developments and identify any potential shortcomings. It also evaluates the aggregate effects of CCPs' recovery and resolution arrangements on EU financial stability and, where necessary, enables ESMA to issue recommendations. ESMA will launch the data request at the beginning of May 2026, with the final results scheduled for publication in Q1 2027.

[ESMA Final Report: Framework for the sixth ESMA Stress Test Exercise for Central Counterparties \(ESMA91-1505572268-4538\)](#)

8 FINANCIAL CONDUCT AUTHORITY

- 8.1 Changes to information flows for UK IPOs - FCA launches consultation - 27 April 2026** - The FCA has published a consultation paper (CP26/14) on changes to the information flows for UK equity IPOs. By way of context, in 2018, the FCA introduced a package of rules designed to improve the quality and availability of information during the UK equity IPO process, and to address perceived risks of bias in research coverage during IPOs. The FCA has received feedback that some of these rule changes, which were designed to encourage the production of unconnected research, have added unnecessary market risk and costs for issuers listing in the UK. The FCA states that this risks putting the UK at a disadvantage compared to other jurisdictions.

To tackle this, the FCA proposes to:

- remove the seven-day waiting period between the publication of an approved registration document/prospectus and the release of connected research;
- remove requirements such that syndicate banks intending to publish connected IPO research share the same information with a range of unconnected analysts as they do with their own research analysts.

The consultation paper also includes questions for discussion on the remaining aspects of the 2018 IPO information flow rules, as the FCA wants to explore whether there are further opportunities to reform these rules. Finally, the FCA is taking the opportunity to correct a

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technical issue in amendments made to the FCA Handbook when transferring the MiFID Organisational Regulation to the Handbook.

The deadline for responses to the proposals and the discussion questions is 29 May 2026.

[FCA consultation paper: Changes to information flows for UK equity IPOs \(CP26/14\)](#)

[Press release](#)

ASSET MANAGEMENT //

9 FINANCIAL CONDUCT AUTHORITY

9.1 Progressing fund tokenisation - FCA publishes policy statement - 30 April 2026 - The FCA has published a policy statement (PS26/7) which sets out its final guidance and rules to help asset managers unlock the benefits of fund tokenisation, following an October 2025 consultation paper on this subject. The new rules and guidance take effect immediately.

The FCA's guidance sets out how authorised fund managers can employ distributed ledger technology within the FCA's current framework. This includes use of the industry-led Blueprint model for tokenised funds, and more advanced use cases. New rules will also be introduced to streamline fund dealing through an optional Direct to Fund (D2F) model. This allows investors to transact directly with the fund itself, regardless of whether it is a traditional or tokenised structure. These new rules for direct dealing in authorised funds are optional: the FCA explains that firms should determine whether and when to adopt them for new or existing schemes.

The FCA remains open to applications to modify or waive rules to allow the use of stablecoins to settle unit deals as an interim regime for funds before final stablecoin standards in October 2027, and is exploring with HM Treasury ways in which to provide a clearer legal basis for D2F.

[FCA policy statement: Progressing Fund Tokenisation \(PS26/7\)](#)

[Press release](#)

INSURANCE //

10 INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

10.1 Customers receiving value from insurance products - IAIS publishes draft paper - 28 April 2026 - The International Association of Insurance Supervisors (IAIS) has published for consultation a draft issues paper on customers receiving value from insurance products.

The paper aims to enhance understanding of the importance of insurance products delivering meaningful value to customers, and how this may be achieved. The paper provides an overview of the barriers faced by consumers when assessing value in insurance, highlights insurance characteristics or practices that may either diminish or enhance the value of insurance products, and describes a spectrum of supervisory approaches taken across jurisdictions to address low-

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value insurance. The paper suggests that depending entirely on a “buyer beware” approach, which places the full responsibility on consumers to avoid low-value insurance products, may not be fair or effective.

Feedback on the issues paper is invited by 28 July 2026, and a final, post-consultation version of the issues paper is expected in Q4 2026.

[IAIS Issues Paper: Customers receiving value from insurance products](#)

[Press release](#)

11 OFFICIAL JOURNAL OF THE EU

- 11.1 Solvency II - Implementing Regulation amending ITS on central government exposures published in Official Journal - 28 April 2026** - Commission Implementing Regulation (EU) 2026/911 has been published in the Official Journal of the EU. This Implementing Regulation amends the implementing technical standards (ITS) laid down in Implementing Regulation (EU) 2015/2011, which contains the list of regional governments and local authorities exposures to which are to be treated as exposures to the central government under the Solvency II Directive ((EU) 2009/138).

The Regulation adds two additional types of regional governments and local authorities in France, and two new types in Latvia. It also deletes the regional governments of the United Kingdom following its departure from the EU. The Regulation enters into force on 18 May 2026, the twentieth day following its publication in the Official Journal of the European Union.

[Commission Implementing Regulation \(EU\) 2026/911 amending the implementing technical standards laid down in Implementing Regulation \(EU\) 2015/2011 as regards updating the lists of regional governments and local authorities provided for in that Regulation](#)

12 UK PARLIAMENT

- 12.1 Pension Schemes Act 2026 - given Royal Assent by UK Parliament - 29 April 2026** - The UK Parliament has published a press release stating that the Pension Schemes Bill received Royal Assent on 29 April 2026, becoming the Pension Schemes Act 2026. The press release explains that the bill was subject to a process known as parliamentary ‘ping pong’ between the House of Lords and House of Commons, where outstanding issues concerned government powers to mandate pension investments and protect members’ savings by lowering the legal threshold for schemes to opt out. The press release also sets out details of the amendments that passed between the Houses before the bill became an Act of Parliament.

[Press release](#)

13 HM TREASURY

- 13.1 Risk Transformation Regulations 2017 - HM Treasury publishes consultation response on reforms - 29 April 2026** - HM Treasury has published a response to its July 2025 consultation

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paper on revitalising the UK's risk transformation regime, supporting its ambition to make the UK the location of choice for complex and specialty risk. This proposed reforms to the Risk Transformation Regulations 2017 (SI 2017/1212) (RTR 2017) targeting an increase in the use of risk transformation vehicles within the UK insurance market. The consultation also proposed to widen the use of protected cell companies (PCCs) to effect and carry out contracts of insurance as part of the UK's new captive insurance framework, which the PRA has committed to delivering by summer 2027.

HM Treasury confirms that it intends to proceed with the majority of the proposed reforms, which include:

- giving the PRA greater discretion over funding requirements for transformer vehicles, aligning the UK more closely with flexible regimes, like Bermuda;
- amending the RTR 2017 so that the PRA is no longer required to limit a transformer vehicle's permissions at authorisation and to facilitate greater flexibility for the PRA in defining transformer vehicle permissions; and
- progressing legislation that will allow PCCs to effect and carry out insurance contracts.

The government intends to take forward these reforms through a combination of primary and secondary legislation. In parallel, the PRA has published a statement highlighting its commitment to consulting on a new insurance captives regime in summer 2026. As the legislative changes required to enable PCCs to operate as insurers will not be in place in time, this feature will not form part of the consultation and will not be part of the regime at launch in summer 2027.

[HM Treasury consultation response: Changes to the Risk Transformation Regulations](#)

[PRA Statement](#)

14 PRUDENTIAL REGULATION AUTHORITY

14.1 Funded reinsurance - PRA publishes consultation paper - 29 April 2026 - The PRA has published a consultation paper (CP8/26) setting out proposed rules and expectations for UK life insurers' use of funded reinsurance arrangements under Solvency UK. The PRA's view is that the current regulatory treatment of funded reinsurance does not appropriately reflect the underlying risks and is not aligned to that of economically similar assets. It considers that this misalignment currently encourages insurers to rely excessively on funded reinsurance arrangements to support their bulk purchase annuity (BPA) activity. The PRA's figures suggest that in recent years about 15% of new BPA business written by UK insurers has been ceded via funded reinsurance.

The PRA has sought to establish a simple and pragmatic approach that is risk-sensitive, applied consistently across the industry, and materially addresses the current misaligned economic incentives around funded reinsurance. At a high level, the proposals would more closely align the treatment of counterparty default risk within funded reinsurance with the treatment applied by UK insurers to similar investments. More specifically:

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- a new definition of “funded reinsurance” is proposed. This will include entry into arrangements to back either annuity or capital redemption liabilities; and
- the PRA proposes to introduce changes to the Counterparty Default Adjustment calculation to be applied to recoverables under funded reinsurance arrangements. It estimates that these changes would increase the amount of capital held in respect of funded reinsurance from 2-4% of the value of the underlying annuity liabilities to around 10%.

You may read more about the proposals, and our initial view, in [our briefing](#). The deadline for responses to the consultation is 31 July 2026. The PRA proposes an implementation date for the changes to be applied to insurers’ calculations of 1 July 2027. The new rules would not apply to funded reinsurance arrangements where all the risks covered have been fully transferred to the reinsurer on or before 30 September 2026.

[PRA consultation paper: Funded reinsurance \(CP8/26\)](#)

[Press release](#)

FINANCIAL CRIME //

15 FINANCIAL CONDUCT AUTHORITY

- 15.1 ECCTA - FCA publishes Market Watch 85 on sharing customer information to fight economic crime - 29 April 2026 - The FCA has published Market Watch 85, focusing on how the Economic Crime and Corporate Transparency Act 2023 (ECCTA) can help firms share customer information to fight economic crime. The edition covers how the ECCTA applies to investment brokers and urges firms to consider how the ECCTA’s direct information-sharing measures apply to their own business. The FCA states that, as part of its routine engagement with firms, it will ask whether and how they are using the ECCTA to share information, and if they face any barriers to doing so.

[FCA Market Watch 85](#)

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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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