

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
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[Beth Dobson](#).

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GENERAL //

1 EUROPEAN COMMISSION

- 1.1 Savings and Investments Union - European Commission publishes communication on strategy - 19 March 2025** - The European Commission (the Commission) has published a communication (COM(2025) 124) entitled *Savings and Investments Union: A Strategy to Foster Citizens' Wealth and Economic Competitiveness in the EU*. The Savings and Investments Union (SIU) comprises a set of EU-wide initiatives proposed by the Commission to foster the development of capital markets and improve links between savings and investments.

The communication groups the Commission's policy measures in this context under four headings: (i) citizens and savings; (ii) investments and financing; (iii) integration and scale; and (iv) efficient supervision in the single market. Within these four strands, the Commission wants to encourage retail participation in capital markets, improve the availability of capital and access to capital for businesses, remove sources of fragmentation in EU capital markets and ensure all financial market participants receive the same supervisory treatment. The Commission also sets out measures intended to promote the integration and competitiveness of the EU banking sector.

Indicative timings for all the measures can be found in an appendix to the communication. The Commission intends to publish a mid-term review of the overall progress in achieving the SIU in Q2 2027.

European Commission: Communication on the SIU: A strategy to foster citizens' wealth and economic competitiveness in the EU (COM(2025) 124)

[Factsheet](#)[FAQs](#)[Webpage](#)[Press release](#)

2 EUROPEAN PARLIAMENT

- 2.1 Capital Markets Union reforms - ECON publishes draft report - 17 March 2025** - The European Parliament's Committee on Economic and Monetary Affairs (ECON) has published a draft report on facilitating the financing of investments and reforms to boost European competitiveness and creating a Capital Markets Union. The draft report builds on the measures that were proposed in the Draghi report on the future of European competitiveness (published in September 2024). Among other things, the report calls for the creation of an EU-wide capital market that has sufficient size, liquidity, depth and transparency to attract both EU and international investors. It also advocates for reliance on regulations rather than directives to limit national discretion by member states that could lead to fragmentation.

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[ECON draft report: Facilitating the financing of investments and reforms to boost European competitiveness and creating a Capital Markets Union \(2024/2116\(INI\)\)](#)

3 HM TREASURY

- 3.1 Ensuring regulators and regulation support growth - HM Treasury publishes action plan - 17 March 2025** - HM Treasury has published an action plan on the government's approach to regulation and regulators across the business, finance, energy and environmental sectors to ensure they support growth. The action plan is designed to *"enable a regulatory system that supports innovation and economic growth while ensuring accountability for the quality of regulations introduced, as well as the way in which independent regulators implement and enforce them"*.

The plan specifies three actions that HM Treasury intends to take in this context: (i) reducing the complexity and burden of regulation; (ii) reducing uncertainty across the regulatory system; and (iii) challenging and shifting excessive risk aversion in the system. The annex sets out a list of regulator pledges that will *"have a tangible effect on driving growth and investment, and are implementable within the next 12 months"*. Pledges made by the FCA include simplifying its mortgage and advice rules, reviewing contactless payment limits and accelerating a review of capital requirements for specialised trading firms. The PRA has committed to consult on a matching adjustment investment accelerator aimed at reducing the time between life insurers identifying a productive investment opportunity and making that investment. Among other things, HM Treasury intends to review the number of requirements under which the PRA and the FCA must 'have regards' to specified factors in order to identify opportunities to rationalise them and ensure a focus on their priorities.

[HM Treasury: Action plan](#)

[Webpage](#)

[Press release](#)

4 COURTS AND TRIBUNALS JUDICIARY

- 4.1 UKJT projects - Speech by Master of the Rolls - 14 March 2025** - The Courts and Tribunal Judiciary has published a speech delivered by the Master of the Rolls, Sir Geoffrey Vos, outlining three new projects of the UK Jurisdiction Taskforce (UKJT) (part of Lawtech UK, a Ministry of Justice backed initiative dedicated to driving digital transformation in the legal sector). First, the government has asked the UKJT to establish an expert group to prepare non-binding guidance on the legal concept of 'control' in relation to digital assets. Second, the UKJT will prepare a legal statement on liability for harm caused by artificial intelligence (AI) systems and whether the law of tort is adequate to provide redress for harms caused by AI. Finally, the UKJT intends to form an International Jurisdiction Taskforce which will explore the potential for alignment between private law jurisdictions for digital assets and digital trading.

[Speech](#)

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BANKING AND FINANCE //

5 EUROPEAN BANKING AUTHORITY

- 5.1 CSDR - EBA consults on draft RTS on prudential risk management requirements - 14 March 2025** - The European Banking Authority (EBA) has published a consultation paper (EBA/CP/2025/05) on draft regulatory technical standards (RTS) on the threshold at which certain banks and central securities depositories (CSDs) are required to meet prudential risk management requirements under the Central Securities Depositories Regulation (909/2014/EU) (CSDR).

Banks and CSDs that provide banking-type ancillary services may now be designated by other CSDs to settle the cash leg of all or part of their securities settlement systems; those firms are subject to specific requirements, unless they operate below an appropriate threshold. The draft RTS contain a formula to determine this threshold based on, among other things, the liquidity of the currencies for which settlement is offered.

Comments on the proposals are welcomed by 16 June 2025. The EBA will also be holding a public hearing on 13 May 2025.

EBA consultation paper: Draft RTS on prudential risk management requirements under CSDR (EBA/CP/2025/05)

[Press release](#)

- 5.2 CRR - EBA publishes final report on draft amending ITS on process for internal models authorisation - 17 March 2025** - The European Banking Authority (EBA) has published a final report (EBA/ITS/2025/03) on draft implementing technical standards (ITS) amending Commission Implementing Regulation (EU) 2016/100 on the joint decision process for internal model authorisation under the Capital Requirements Regulation (575/2013/EU) (CRR) as amended by the CRR III Regulation (EU) 2024/1623. The existing ITS specify the process to be followed by competent authorities when deciding whether to grant permission for the use of internal models for credit risk, counterparty credit risk and market risk for prudential purposes.

The draft ITS will be submitted to the European Commission for endorsement.

EBA final report: Draft amending ITS on the joint decision process for internal model authorisation under CRR (EBA/ITS/2025/03)

[Press release](#)

6 PRUDENTIAL REGULATION AUTHORITY

- 6.1 Recognised exchanges policy - PRA consults on proposed conditions and transfer of main indices - 19 March 2025** - The PRA has published a consultation paper (CP3/25) on the proposed conditions to be met by an investment exchange for recognition under Article 4(1)(72)(c) of the UK Capital Requirements Regulation (575/2013/EU) (CRR). The conditions would be set out in a

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new Recognised Exchanges (CRR) Part of the PRA Rulebook. The PRA also proposes to transfer the main indices list, which is currently set out in Commission Implementing Regulation 2016/1646, to the Glossary Part of the Rulebook. A related webpage notes that HM Treasury will implement the necessary legislative changes to support the PRA's proposals.

The proposals would also amend the definition of 'higher risk equity exposures' which was included in the PRA's near-final rules implementing the Basel 3.1 standards to make related changes to the near-final treatment of listed equities under the standardised approach for credit risk. The PRA's supervisory statement on recognised exchanges (SS20/13) would be revoked.

Feedback is welcomed by 18 June 2025. The PRA proposes to implement the rules specifying conditions for recognition and the revocation of SS20/13 on 1 July 2026. The changes relating to the PRA's near-final rules implementing the Basel 3.1 standards will be introduced alongside broader implementation on 1 January 2027.

[PRA consultation paper: Recognised exchanges policy and transfer of main indices \(CP3/25\)](#)

[Updated webpage](#)

7 FINANCIAL CONDUCT AUTHORITY

- 7.1 Contactless payment limits - FCA publishes engagement paper on future approach - 14 March 2025** - The FCA has published an engagement paper on its future approach to contactless payment limits. The FCA currently limits the value and number of contactless payments that can be made before requiring authentication to £100 in any single contactless transaction and a cumulative total of £300 across several contactless transactions, or no more than five consecutive contactless transactions. This is achieved through an exemption under the FCA's Strong Customer Authentication Regulatory Technical Standards (SCA RTS).

The engagement paper outlines alternative approaches to contactless payment limits, which aim to provide more flexibility to payment service providers (PSPs), consumers and businesses, while also reducing the risk of fraud. One option is the introduction of a new exemption giving PSPs greater flexibility to set their own contactless limits for in-person transactions, so long as they are able to achieve low rates of fraud (referred to as the risk-based exemption). Other options include amending the limits or relying substantively on the requirements under the consumer duty (rather than setting specific rules).

The FCA intends to prioritise changes to the contactless payments exemption before replacing regulations relating to SCA, as trailed in the government's National Payments Vision.

Comments on the paper are welcomed by 9 May 2025.

[FCA engagement paper: Contactless payment limits](#)

[Webpage](#)

[Press release](#)

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- 7.2 Mortgage interest rate stress rule - FCA launches call for evidence - 19 March 2025** - The FCA has published a call for evidence on the impact of its interest rate stress test rule in Chapter 11 of the Mortgages and Home Finance: Conduct of Business sourcebook (MCOB), which was trailed in a letter sent to HM Treasury on 7 March 2025 on forthcoming initiatives intended to improve access to mortgages, as previously reported in this Bulletin.

MCOB 11.6.18R sets out the requirements relating to customer affordability assessments and the potential impact on mortgage repayments of future interest rate rises.

The call for evidence is open until 11 April 2025.

[FCA call for evidence: Mortgage rule review](#)

[Updated webpage](#)

8 SINGLE RESOLUTION BOARD

- 8.1 Operational guidance on resolvability testing for banks - SRB consults - 17 March 2025** - The Single Resolution Board (SRB) has published a consultation on its proposed operational guidance on resolvability testing for banks. The draft guidance aims to ensure a harmonised approach to a multi-annual testing programme for banks and to bank-led resolvability testing. Responses to the consultation are welcomed by 5 May 2025. The SRB intends to publish the final guidance in Q3 2025.

[SRB operational guidance](#)

[Webpage](#)

[Press release](#)

9 RECENT CASES

- 9.1 PPI misselling cases - Supreme Court refuses permission to appeal - 20 March 2025** - The Supreme Court has refused (on 29 January 2025) an application for permission to appeal against the linked Court of Appeal decisions in *Self v Santander Cards UK Ltd* (UKSC 2024/0150) and *Harrop v Skipton Building Society* (UKSC 2024/0150) [2024] EWCA Civ 1106 on the ground that the appeal does not raise an arguable point of law. In its judgment, the Court of Appeal dismissed the conjoined appeals and upheld the dismissal of the claims brought under sections 140A and 140B of the Consumer Credit Act 1974 against two firms on the basis of alleged misselling of payment protection insurance policies (PPI).

[Permission to appeal refused](#)

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SECURITIES AND MARKETS //

10 EUROPEAN SECURITIES AND MARKETS AUTHORITY

- 10.1 Recognition of UK CCPs - ESMA extends decisions - 17 March 2025** - The European Securities and Markets Authority (ESMA) has announced that it will temporarily extend the application of recognition decisions under Article 25 of the European Market Infrastructure Regulation (EU) 2024/2987 (EMIR 3) for three UK-based central counterparties (CCPs) - ICE Clear Europe Ltd, LCH Ltd and LME Clear Ltd - until 30 June 2028. This follows the European Commission's decision in January 2025 to extend equivalence for UK CCPs, as reported previously in this Bulletin.

ESMA has also published a revised memorandum of understanding (MoU) with the Bank of England on arrangements for cooperation and information exchange concerning the three CCPs. ESMA explains that the revised MoU follows amendments introduced by EMIR 3 concerning the content of cooperation arrangements between ESMA and third-country authorities, particularly in respect of systemically important third-country CCPs (referred to as Tier 2 TC-CCPs).

[Memorandum of understanding](#)

[Press release](#)

- 10.2 CSDR penalty mechanism - ESMA clarifies treatment of settlement fails - 17 March 2025** - The European Securities and Markets Authority (ESMA) has published a public statement (ESMA74-2119945926-3232) on the treatment of settlement fails under the penalty mechanism of the Central Securities Depositories Regulation (909/2014/EU) (CSDR). The statement follows an incident on 27 February 2025 at T2S and T2 that affected the processing of settlement instructions, payment, ancillary system instructions and liquidity transfers between TARGET Services. This caused delays to the reconciliation processes of central securities depository (CSD) participants, creating settlement fails over the next settlement days. The statement confirms that national competent authorities do not expect CSDs to apply cash penalties in relation to those settlement fails.

[ESMA public statement: Treatment of settlement fails under the CSDR penalty mechanism \(ESMA74-2119945926-323\)](#)

[Press release](#)

11 HM TREASURY

- 11.1 Draft Markets in Financial Instruments (Miscellaneous Amendments) Regulations 2025 - 18 March 2025** - The draft Markets in Financial Instruments (Miscellaneous Amendments) Regulations 2025 (the Regulations) have been published, alongside a policy note. The Regulations will revoke firm-facing provisions in the MiFID Organisational Regulation (or MiFID Org Regulation) (that is, UK Commission Delegated Regulation (EU) 2017/565) so that they can be replaced in the FCA Handbook and PRA Rulebook. They will also restate key definitions from the MiFID Org Regulation in UK legislation under a framework established by the Financial Services and Markets Act 2023,

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without changing their policy effect. The FCA's consultation on new rules to replace the firm-facing provisions of the MiFID Org Regulation closed to comments on 28 February 2025.

HM Treasury is publishing the draft statutory instrument for technical checks and is inviting comments by 14 April 2025. It intends to lay the instrument before Parliament in summer 2025.

A related press release notes that the Chancellor met with senior representatives from the fintech sector to discuss the draft Regulations and the creation of "*a more effective regulatory system*", as well as economic growth opportunities more generally.

[Draft statutory instrument](#)[Policy note](#)[Webpage](#)[Press release](#)

11.2 Draft Pension Fund Clearing Obligation Exemption (Amendment) Regulations 2025 - 18 March 2025

A draft version of the Pension Fund Clearing Obligation Exemption (Amendment) Regulations 2025 (the Regulations) has been published, along with an explanatory memorandum. The Regulations will make permanent the temporary exemption for pension scheme arrangements from the requirement to clear certain derivative contracts through a central counterparty (known as the 'clearing obligation'). More specifically, the Regulations will remove the current expiry date of the exemption of 18 June 2025 and the ability for HM Treasury to extend the exemption (as this will no longer be necessary). This means UK and EEA-based pension funds will continue to be exempt from the UK clearing obligation.

The draft statutory instrument will come into force on the day after it is made, following its approval in Parliament under the affirmative resolution procedure.

[Draft statutory instrument](#)[Explanatory memorandum](#)

INSURANCE //

12 INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS

12.1 Structural shifts in the life insurance sector - IAIS publishes draft issues paper - 19 March 2025

The International Association of Insurance Supervisors (IAIS) has published for consultation a draft issues paper on structural shifts in the life insurance sector, along with a list of questions. The paper contains a comprehensive analysis of these shifts, with a particular emphasis on the increased allocation to alternative assets in life insurers' portfolios and the rising adoption of cross-border asset-intensive reinsurance.

Feedback on the paper and the list of questions is welcomed by 19 May 2025. Input received will be reflected in a final updated issues paper, which the IAIS intends to publish later in 2025. The IAIS will also hold a public background session webinar on the paper on 3 April 2025.

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[General](#)[Banking and Finance](#)[Securities and Markets](#)[Insurance](#)[Financial Crime](#)[Enforcement](#)[IAIS draft issues paper: Structural shifts in the life insurance sector](#)[Press release](#)

FINANCIAL CRIME //

13 FINANCIAL CONDUCT AUTHORITY

- 13.1 Strategic leaks and unlawful disclosure of inside information - FCA publishes latest edition of the Primary Market Bulletin - 14 March 2025** - The FCA has published Primary Market Bulletin 54, focusing on strategic leaks and the unlawful disclosure of inside information under the UK Market Abuse Regulation (UK MAR). The FCA notes that it has seen an increase in strategic leaks on M&A transactions where material information - in many cases constituting inside information under UK MAR - appears to have been deliberately leaked to the press by individuals at an issuer or its advisers. Leaks of market sensitive information have also occurred inadvertently.

The FCA reminds issuers that the unlawful disclosure of inside information is prohibited under UK MAR; it also refers to Rule 2.1(a) of the Takeover Code, whereby persons privy to confidential information concerning an offer or possible offer must treat that information as secret, may only pass it to another person if it is necessary to do so and must minimise the chances of any leak of that information.

[Primary Market Bulletin 54](#)

14 INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS

- 14.1 I-SCAN - IOSCO launches global fraud alerts portal - 20 March 2025** - The International Organization of Securities Commissions (IOSCO) has announced the launch of its International Securities & Commodities Alerts Network (I-SCAN), a “*unique global warning system where any investor, online platform provider, bank or institution can check if a suspicious activity has been flagged for a particular company by financial regulators worldwide*”.

The introduction of I-SCAN concludes the second wave of initiatives from IOSCO in its Roadmap for Retail Investor Online Safety (launched in November 2024).

[International Securities & Commodities Alerts Network \(I-SCAN\)](#)[Press release](#)

ENFORCEMENT //

15 FINANCIAL CONDUCT AUTHORITY

- 15.1 Lack of integrity - FCA fines and bans hedge fund manager - 17 March 2025** - The FCA has published a decision notice (dated 3 March 2025) issued to Robin Crispin Odey, founder and majority owner of Odey Asset Management LLP (the firm), fining him £1,835,200 and prohibiting

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him from performing any function relating to any regulated activities, for conduct that demonstrated a lack of integrity. Mr Odey has referred the decision notice to the Upper Tribunal (Tax and Chancery Chamber).

The FCA considers that Odey's conduct following allegations of sexual harassment against him were deliberately designed to frustrate the firm's disciplinary process regarding his conduct. The FCA also considers that Odey showed a reckless disregard for the firm's governance. Furthermore, it found that Odey's conduct was such that he does not meet the fit and proper test in the FCA's Handbook due to his lack of integrity.

[Decision notice](#)[Press release](#)

- 15.2 Systems and control failures - FCA takes first enforcement action against a UK recognised investment exchange - 20 March 2025** - The FCA has published a final notice (dated 19 March 2025) issued to the London Metal Exchange (the firm) fining it £9,245,900 for failing to ensure its systems and controls were adequate to ensure orderly trading under conditions of severe market stress. This follows extreme volatility in the price of the firm's three-month nickel futures contract between 4 and 8 March 2022. The firm suspended its nickel market for eight days and cancelled all nickel trades that took place on 8 March. The failings resulted in breaches of the requirements in the FCA's Recognised Investment Exchanges sourcebook as well as the regulatory technical standards relating to organisational requirements of trading venues in Commission Delegated Regulation 2017/584 (RTS 7).

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

16 RECENT CASES

- 16.1 FCA v BlueCrest - Supreme Court grants permission to appeal - 20 March 2025** - The Supreme Court has granted (on 14 January 2025) permission to appeal the Court of Appeal decision in *Financial Conduct Authority v BlueCrest Capital Management (UK) LLP* [2024] EWCA Civ 1125 (UKSC 2024/0146). The Court of Appeal allowed the FCA's appeal against a decision of the Upper Tribunal (Tax and Chancery Chamber) relating to two case management applications heard by the Tribunal as preliminary issues. The substantive proceedings before the tribunal concerned references made by the firm in relation to the FCA's decision to fine and impose a redress requirement on it under section 55L of the Financial Services and Markets Act 2000. The Court of Appeal dismissed the cross-appeal brought by BlueCrest Capital Management (UK) LLP.

[Permission to appeal](#)

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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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