

A&O SHEARMAN



Regulatory monitoring

NEWSLETTER
AUGUST 2025

Contents

1. Bank regulation	8
1.1 Prudential regulation	8
a) General	8
BMF: Draft bill for the Banking Directive Implementation and Bureaucracy Relief Act (<i>Referentenentwurf des Bankenrichtlinienumsetzungs- und Bürokratieentlastungsgesetzes – BRUBEG</i>).....	8
ECB: Opinion on the supervisory independence of Lietuvos bankas and the prevention of conflicts of interest of its members of staff and governance bodies	8
Publication of technical standards supplementing the CRD regarding the functioning of colleges of supervisors	9
b) Solvency/Own funds issues	9
EBA: Draft RTS on the allocation of off-balance sheet items and the specification of factors that might constrain institutions' ability to cancel unconditionally cancellable commitments under Article 111(8) CRR.....	9
EBA: Statement confirming its response to the EC's Delegated Act postponing the application of the market risk framework in the EU.....	10
EBA: Final report on draft ITS on amending Commission Implementing Regulation (EU) 2016/2070 with regard to the benchmarking of internal models – 2026 benchmarking exercise.....	10
EBA: Final draft RTS on the equivalent legal mechanism for unfinished property exposures under the Standardised Approach for credit risk.....	11
EBA: Final report on draft RTS regarding key regulatory products on operational risk losses under the EU banking package implementation.....	11
Commission Delegated Regulation (EU) 2025/789 supplementing the CRR with regard to RTS specifying the conditions and indicators that the EBA is to use to determine whether extraordinary circumstances in the sense of Article 325az(5) and Article 325bf(6) CRR have occurred	12
c) Securitisation	12
EBA: Q&A relating to the Securitisation Regulation	12
ECB: Final results on counterparty credit risk exploratory scenario exercise.....	12
d) Cyber security	13
BaFin: Documentation requirements for financial entities under DORA.....	13
EBA: New Q&A on the application of DORA	13
e) Internal governance/"Authorised Persons Regime"	13

	EBA: Consultation on draft revised Guidelines on internal governance under CRD IV	13
f)	Supervisory reporting	14
	Publication of Delegated and Implementing Regulations on the functioning of supervisory colleges under the CRD	14
1.2	Recovery and resolution	14
	BaFin: Publication of updated Guidance Notice regarding external bail-in implementation (<i>Veröffentlichung des angepassten Merkblatts zur externen Bail-in-Implementierung</i>)	14
	BaFin: Consultation on a Circular regarding MaBail-in (<i>Konsultation eines Rundschreibens zur MaBail-in</i>)	15
	BaFin: FAQ on the form of the recovery plan according to simplified requirements as per Section 19 of the German Recovery and Resolution Act (<i>FAQ zum Formular „Sanierungsplan nach vereinfachten Anforderungen gemäß § 19 SAG“</i>)	15
	EBA: Consultation on draft RTS on the content of resolution plans and group resolution plans, the assessment of resolvability, and the operational functioning of resolution colleges under the BRRD	15
	SRB: Consultation on operational guidance for banks on separability and transferability for transfer tools	16
	SRB: Operational guidance for banks on resolvability self-assessment	16
1.3	Stress tests/Macroprudential topics	17
	EBA/ECB: Results of the 2025 stress test on the euro area banking sector	17
2.	Investment firms regulation	18
	BaFin: Documentation requirements for financial entities under DORA	18
	BaFin: Consultation on a Circular regarding Minimum Requirements for the Risk Management for Securities Institutions – Wpl MaRisk (<i>Konsultation des Rundschreibens zu MaRisk von Wertpapierinstituten – MaRisk Wpl</i>)	18
	EBA: New Q&A on the application of DORA	18
3.	Market regulation/ Conduct rules	19
3.1	General	19
	ESMA: Updated registration guide	19
3.2	Capital markets union	19
	BMF: Minister’s bill on the draft Law to Promote Private Investment and the Financial Centre (<i>Referentenentwurf des Standortfördergesetzes – StoFöG</i>)	19
3.3	MiFID/MiFIR	20

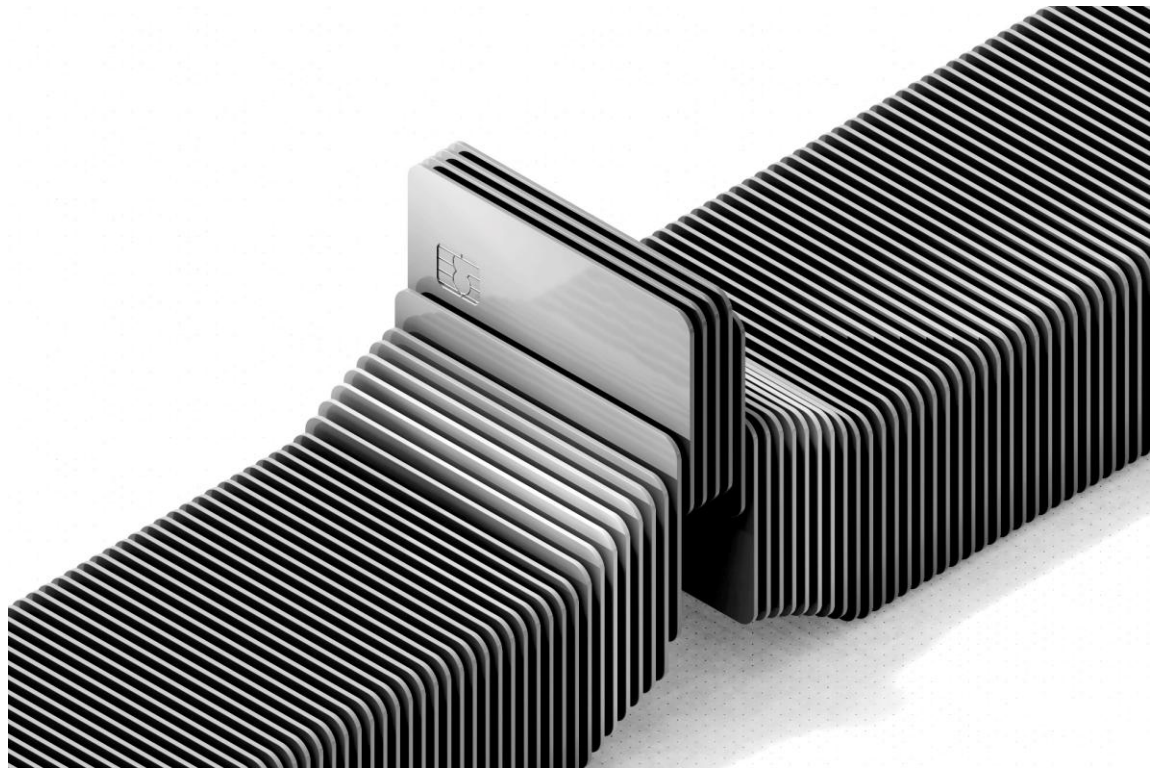
	BMF: Minister's bill on the draft Law to Promote Private Investment and the Financial Centre (<i>Referentenentwurf des Standortfördergesetzes – StoFöG</i>)	20
	EC: Draft Delegated Regulation on providing market data, what constitutes a liquid market for equity instruments, and PTRR disclosures under MiFIR.....	20
4.	Market infrastructure	21
4.1	EMIR	21
	BFM: Minister's bill on the Law on Limiting the Fund Risk (<i>Referentenentwurf des Fondsrisikobegrenzungsgesetzes</i>)	21
4.2	Clearing, settlement, and CCPs related rules other than in the context of derivatives	21
	ECB: Decision on safeguards in relation to access by CCPs to Eurosystem overnight credit in TARGET	21
5.	Anti-money laundering	23
	BMF: Minister's bill on the draft Law to Promote Private Investment and the Financial Centre (<i>Referentenentwurf des Standortfördergesetzes – StoFöG</i>)	23
	EBA: Report on the use of AML/CFT SupTech tools	23
	FATF: Announcement of the launch of new NRA toolkit for AML/CFT measures	23
6.	Payments	25
6.1	Payment services/E-money	25
	BaFin: Documentation requirements for financial entities under DORA	25
	EBA: New Q&A on the application of DORA	25
6.2	Payment and settlement systems	25
	Publication of Commission Decision extending mandate of Payment Systems Market Expert Group	25
7.	Institutional supervisory framework	26
	EBA: Opinion on the 2021 discharge report of the EP	26
	Publication of technical standards supplementing the CRD regarding the functioning of colleges of supervisors	26
	FSB: Annual financial report 2024-2025.....	26
8.	Investment funds	27
8.1	Product regulation	27
a)	AIF	27

	BfM: Minister's bill on the Law on Limiting the Fund Risk (<i>Referentenentwurf des Fondsrisikobegrenzungsgesetzes</i>).....	27
b)	UCITS.....	27
	BfM: Minister's bill on the law on limiting the fund risk (<i>Referentenentwurf des Fondsrisikobegrenzungsgesetzes</i>).....	27
9.	Special rules for real estate financing and covered bonds.....	28
9.1	Covered bonds.....	28
	BaFin: FAQ on the appointment and on the extension of the appointment of trustees and representatives at a Pfandbriefbank pursuant to Sections 7 et seq. of the German Pfandbrief Act (<i>FAQs zur Bestellung und Verlängerung der Bestellung von Treuhändern und Stellvertretern bei einer Pfandbriefbank gemäß §§ 7 ff. des Pfandbriefgesetzes – PfandBG</i>).....	28
10.	Special topics.....	29
10.1	FinTech/Digital finance.....	29
	Publication of the Crypto Markets Notification Regulation (<i>Veröffentlichung der Kryptomärktemitteilungs-Verordnung</i>).....	29
	BaFin: Documentation requirements for financial entities under DORA.....	29
	Commission Delegated Regulation (EU) 2025/885 supplementing MiCAR with regard to RTS specifying the arrangements, systems and procedures to prevent, detect and report market abuse, the templates to be used for reporting suspected market abuse, and the coordination procedures between the competent authorities for the detection and sanctioning of market abuse in cross-border market abuse situations.....	29
	EBA: Report on the use of AML/CFT SupTech tools.....	30
	EBA: New Q&A on the application of DORA.....	30
	EBA: Final report on draft RTS on the calculation and aggregation of crypto exposure values under Article 501d(5) of the CRR.....	30
10.2	AI.....	30
	BCBS: Launch of project noor to explain AI models for financial supervision.....	30
10.3	Sustainable finance.....	31
	ECB: Letter to MEPs on climate risk strategy and potential risks from Omnibus I Sustainability package.....	31
	ESMA: MoU with the European Environment Agency to strengthen cooperation in sustainable finance.....	31
	EBA: No-action letter on the application of ESG disclosure requirements.....	32
	ESAs: Q&A on the SFDR and the SFDR Delegated Regulation.....	32

Commission Recommendation (EU) 2025/1710 on a voluntary sustainability reporting standard for small and medium-sized undertakings.....	32
Commission Delegated Regulation (EU) 2025/753 establishing the content, methodologies and presentation of the information to be voluntarily disclosed by issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds in the templates for periodic post-issuance disclosures	33
Communication from the EC establishing non-binding Guidelines for pre-issuance disclosure templates for issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds.....	33

11. German Omnibus Acts (*Artikelgesetze*) 34

BMF: Minister's bill for the Banking Directive Implementation and Bureaucracy Relief Act (<i>Referentenentwurf des Bankenrichtlinienumsetzungs- und Bürokratieentlastungsgesetzes – BRUBEG</i>).....	34
BFM: Minister's bill on the Law on Limiting the Fund Risk (<i>Referentenentwurf des Fondsrisikobegrenzungsgesetzes</i>).....	34



More information
under reggateway.com

RegGateway

The All-in-One solution for regulatory monitoring compliance

FEATURES

HORIZON SCANNING/REGULATORY MONITORING

Identify new regulatory developments easily and tailored to the specific type of regulated firm, so that only relevant changes appear.

FINANCIAL REGULATORY LAW SOURCEBOOK

A categorised collection of all laws in the field of financial regulatory law for Europe and Germany (constantly being expanded), which can be compiled as an obligation register and commented on as desired.

IMPLEMENTATION MANAGEMENT

Effective implementation (including tailored impact analysis and gap analysis) of new legislation and agile control using our project management tool (including KPIs).

CHANGE ANALYSIS AND PREVIEW OF RULES

Read the future versions of a law early, including the official explanatory memorandum, and identify any legislative changes.

1. Bank regulation

1.1 PRUDENTIAL REGULATION

a) General

(i) Germany

BMF: Draft bill for the Banking Directive Implementation and Bureaucracy Relief Act (*Referentenentwurf des Bankenrichtlinienumsetzungs- und Bürokratieentlastungsgesetzes – BRUBEG*)

Status: Draft

The Federal Ministry of Finance (*Bundesfinanzministerium* – BMF) published the **draft bill for the Banking Directive Implementation and Bureaucracy Relief Act** (*Bankenrichtlinienumsetzungs- und Bürokratieentlastungsgesetz – BRUBEG*). The BRUBEG transposes the provisions of the CRD VI into national law and at the same time aims to reduce excessive bureaucracy in the banking sector in Germany. This is intended to improve resilience of banks while ensuring financing for the real economy, strengthening competitiveness and growth prospects and facilitating necessary investment. For that purpose, the draft aims to simplify regulatory requirements where there are no supervisory concerns, and to facilitate the granting of loans by banks. Small and medium-sized enterprises in particular are expected to benefit from this draft.

The implementation of CRD VI aims to strengthen banks' resilience to crises, for example by taking ESG risks into account in risk management. This is an essential aspect of good corporate management, as it may have an impact on banks through loans or other liabilities. The requirements are designed effectively, but at the same time proportionately, taking into account the specific risks of different business models and the interests of smaller banks and savings banks.

The draft also strengthens the investigative powers of the BaFin: In Germany, growing crime in new forms (money laundering networks, black capital market, criminal or terrorist organisations, etc.) as well as technical innovations such as unauthorised transactions, which are to a large extent also advertised via the Internet, can be observed. These developments require BaFin's powers in the supervisory laws to be adapted to these new challenges and strengthened in a targeted manner.

Date of publication: 22/08/2025

(ii) EU

ECB: Opinion on the supervisory independence of Lietuvos bankas and the prevention of conflicts of interest of its members of staff and governance bodies

Status: Final

The ECB published its opinion in response to a request from Lithuania's Minister of Finance. The opinion concerns proposed amendments to the Law on Lietuvos bankas (the draft law) aimed at transposing CRD VI into national legislation. CRD VI introduces enhanced requirements for the supervisory independence of competent authorities and the prevention of conflicts of interest among their officials and employees. Lithuania's draft law seeks to reinforce the independence of Lietuvos bankas by introducing measures such as public disclosure of dismissal

grounds for board members, structured cooling-off periods for former staff and board members, and broader post-employment restrictions. The ECB confirms that Lithuania's provisions on appointment and dismissal are consistent with CRD VI and the Statute of the European System of Central Banks, however, it stresses that national rules must remain compatible with the ECB's ethics framework, including the Single Code of Conduct and Guideline (EU) 2021/2256. It notes that the proposed 12-month cooling-off period for certain officials is less stringent than the ECB's own framework, which allows for a cooling-off period of up to two years. It also highlights that Lithuania's definitions of restricted entities post-employment are narrower than those in the Single Code. The ECB emphasises that the draft law must be interpreted without prejudice to the Single Code, as it may be amended from time to time.

Date of publication: 19/08/2025

Publication of technical standards supplementing the CRD regarding the functioning of colleges of supervisors

Status: Published in the OJ

Date of entry into force: 28/08/2025

Commission Delegated Regulation 2025/791 and Commission Implementing Regulation 2025/790, with regard to the functioning of colleges of supervisors referred to in Articles 116 and 51(3) of CRD IV were published in the OJ. Commission Delegated Regulation 2025/791 contains RTS specifying the general conditions for the functioning of supervisory colleges, and repeals Commission Delegated Regulation 2016/98. Commission Implementing Regulation 2025/790 sets out ITS regarding the operational functioning of colleges of supervisors, and repeals Implementing Regulation 2016/99.

Date of publication: 08/08/2025

b) Solvency/Own funds issues

(i) EU

EBA: Draft RTS on the allocation of off-balance sheet items and the specification of factors that might constrain institutions' ability to cancel unconditionally cancellable commitments under Article 111(8) CRR

Status: Final

The EBA published its final draft RTS concerning the allocation of off-balance sheet items and the specification of factors that may constrain institutions' ability to cancel unconditionally cancellable commitments. Under the standardised approach to credit risk, the exposure values of off-balance sheet items depend on the application of specific percentages, which are determined by a bucket classification. Developed under Article 111(8) of the CRR, the RTS introduces assignment criteria for items not currently mapped to the five factor buckets in Annex I of the CRR, thereby supporting consistent classification. These criteria aim to reflect varying levels of conversion probability, considering the existence of financial covenants, non-credit related conditions, and obligor optionality. Additionally, the RTS outlines four constraining factors that institutions should consider when deciding whether to cancel an unconditionally cancellable commitment, specifically: risk management, commercial, reputational, and litigation considerations. These factors are intended only as a starting point for institutions' assessments. To streamline reporting, the EBA proposes using the COREP framework for notifying items not covered in Annex I of the CRR. The final report also provides a non-exhaustive list of examples to support institutions in classifying their off-balance sheet items. These examples are intended for illustrative purposes, clarifying how certain common items not explicitly mentioned in Annex I of the CRR should be categorised. The list does not introduce any new obligations; its sole purpose is to simplify the application of the CRR.

The draft RTS will be submitted to the EC for endorsement. Once endorsed, they will undergo scrutiny by the EP and the Council of the EU before being published in the OJ.

Date of publication: 18/08/2025

EBA: Statement confirming its response to the EC's Delegated Act postponing the application of the market risk framework in the EU

Status: Final

The EBA published a statement confirming that, following the EC Delegated Act postponing the application of the market risk framework (FRTB) by a year (to 1 January 2027), the EBA's no action letter published on 12 August 2024 would remain fully valid and in place. The no action letter advises national competent authorities not to prioritise supervisory or enforcement actions regarding the application of the boundary between the trading and non-trading book until the full FRTB is implemented for the purpose of calculating binding own funds requirements. In addition, the EBA's considerations on specific issues arising from the FRTB postponement would also remain valid and applicable during the extended postponement period. These relate to the market risk contribution to the output floor, structural foreign exchange positions, threshold calculations using a 'main risk driver' approach, recognition of CVA hedges, disclosures and reporting, and operational risk boundary alignment. The EBA also states that for the supervisory benchmarking exercise, institutions will keep applying the CRR2-IMA for the calculation of the own funds requirements for market risk. Institutions that continue to apply the CRR2-IMA remain in the scope of the mandate of Article 78 of CRD IV and are expected to take part in the market risk part of the supervisory benchmarking exercise for 2026 in accordance with the revised benchmarking ITS published on the same day as this statement. Other entities are not expected to participate in that part of the exercise.

Date of publication: 08/08/2025

EBA: Final report on draft ITS on amending Commission Implementing Regulation (EU) 2016/2070 with regard to the benchmarking of internal models – 2026 benchmarking exercise

Status: Final

The EBA published its final draft ITS, amending the Implementing Regulation on the benchmarking of credit and market risk for the 2026 exercise. The EBA flags that the most significant change is in the area of market risk, where it is proposing to restrict data collection to information on the alternative standardised approach (ASA) from banks that were granted internal model approval. In light of the additional delay to the application of the Fundamental Review of the Trading Book (FRTB), the templates based on the alternative internal model approach (AIMA) have not been implemented.

On credit risk, the EBA reports that only minor changes are being made to align the definitions used with the ITS on supervisory reporting following the implementation of Basel III. In particular, the EBA has introduced a mapping between the asset classes used in the benchmarking exercise and the breakdown of credit risk IRB templates adopted in the revised ITS on supervisory reporting.

The draft ITS will be submitted to the EC for endorsement and will apply 20 days after publication in the OJ.

Date of publication: 08/08/2025

EBA: Final draft RTS on the equivalent legal mechanism for unfinished property exposures under the Standardised Approach for credit risk

Status: Final

The EBA published its final draft RTS clarifying what constitutes an “equivalent legal mechanism” for unfinished property exposures under the CRR, as amended by the CRR3. These RTS form part of the initial phase of the EBA’s roadmap for implementing the EU Banking Package. Article 124 of the CRR sets out the requirements for assigning risk weights to exposures secured by mortgages on immovable property, including conditions under which exposures to properties under construction may qualify for preferential treatment. The EBA is mandated under Article 124(14) of the CRR to specify what constitutes an equivalent legal mechanism to ensure that the property under construction is completed within a reasonable timeframe. These draft RTS have been developed under that mandate, as amended by the CRR3. The RTS specify the conditions that a legal mechanism should meet in order to recognise a property under construction in the own fund requirements calculation under the Standardised Approach for credit risk, defining strict requirements for the protection provider and the guarantee terms. The final draft RTS also take a broader approach than the proposals consulted on in May 2024. The revised approach recognises existing national completion guarantee schemes in certain EU member states, subject to harmonised safeguards such as minimum creditworthiness (20% risk weight cap) and enforceability conditions.

Date of publication: 06/08/2025

EBA: Final report on draft RTS regarding key regulatory products on operational risk losses under the EU banking package implementation

Status: Final

The EBA published a final report on three draft RTS aimed at standardising the collection and recording of operational risk losses under the CRR as amended by the CRR3. The RTS also clarify exemptions for the calculation of the annual operational risk loss and the adjustments to loss data sets that banks must perform in case of merged or acquired entities or activities. The draft RTS were previously consulted on in June 2024.

The final report consists of the following:

- ♦ Final draft RTS on establishing a risk taxonomy on operational risk that complies with international standards and a methodology to classify the loss events included in the loss data set based on that risk taxonomy on operational risk under Article 317(9) of the CRR.
- ♦ Final draft RTS on the conditions under which it would be unduly burdensome for an institution to calculate the annual operational risk loss under Article 316(3) of the CRR. In such cases, the draft RTS allow for a temporary waiver from the requirement to calculate the annual operational risk loss.
- ♦ Final draft RTS on the adjustments to an institution’s loss data set following the inclusion of losses from merged or acquired entities or activities, providing indications on the currency and the risk taxonomy to be used when incorporating the loss data set of merged entities or activities, and providing guidance on how to calculate the annual operational risk loss when data on historical issues are not available.

The final draft RTS will be submitted to the EC for endorsement following which they will be scrutinised by the EP and the Council of the EU before being published in the OJ.

Date of publication: 04/08/2025

Commission Delegated Regulation (EU) 2025/789 supplementing the CRR with regard to RTS specifying the conditions and indicators that the EBA is to use to determine whether extraordinary circumstances in the sense of Article 325az(5) and Article 325bf(6) CRR have occurred

Status: Published in the OJ

Date of application: 21/08/2025

Commission Delegated Regulation (EU) 2025/789 supplementing the CRR with regard to RTS specifying the conditions and indicators that the EBA is to use to determine whether extraordinary circumstances in the sense of Article 325az(5) and Article 325bf(6) of the CRR have occurred was published in the OJ. It contains RTS specifying the conditions and indicators that the EBA is to use to determine whether extraordinary circumstances have occurred for the purposes of Articles 325az(5) and 325bf(6) of the CRR. Articles 325bf(6) and 325az(5) of the CRR, as amended by the CRR3 ((EU) 2024/1623), enable competent authorities to permit institutions to not comply with certain requirements of the regulatory framework for the use of internal models where the EBA considers that there are extraordinary circumstances. The RTS specify that such circumstances could be recognised where significant cross-border financial market stress has been observed, or a major regime shift has taken place, which is likely to render the outcome of the back-testing and profit and loss attribution requirements non-representative of the adequacy of the internal model for the calculation of own funds requirements. The RTS also contain a non-exhaustive list of indicators that the EBA is to use to assess whether extraordinary circumstances have occurred.

Date of publication: 01/08/2025

c) Securitisation

(i) EU

EBA: Q&A relating to the Securitisation Regulation

Status: Final

The EBA published single rulebook Q&A relating to the Securitisation Regulation. The answers to the questions were provided by the EC. The Q&A covers:

- ♦ the use of conditional sale agreements to season assets by an originator instead of the originator purchasing the assets and then selling the same to a securitisation SPE (2021_5851);
- ♦ the meaning of “established in the Union” (2022_6539); and
- ♦ the qualification of a branch as originator, the designation of a Competent Authority and compliance with STS requirements (2024_6984).

Date of publication: 08/08/2025

ECB: Final results on counterparty credit risk exploratory scenario exercise

Status: Final

The ECB published its final results on an exercise for an exploratory scenario regarding counterparty credit risk (CCR). This is a risk stemming from banks' intermediation activities in financial markets. CCR is related to uncertainty as to whether amounts due in derivatives transactions will be paid at the time of settlement. This risk is especially pronounced when trades are not adequately collateralised. To further investigate NBFI-related vulnerabilities and banks' stress-testing capabilities in this area, the ECB conducted an exploratory scenario analysis on counterparty credit risk. The exercise was run in parallel with the 2025 EBA EU-wide stress test and sought to: (i) strengthen the microprudential assessment of the ability of significant institutions' to model CCR under

diverse stress conditions; and (ii) provide a better understanding of the vulnerabilities stemming from interlinkages with NBFIs.

In contrast to the EBA stress test methodology, the exploratory exercise does not have any capital implications, however, the observations will inform the supervisory dialogue with the participating institutions.

Date of publication: 01/08/2025

d) Cyber security

(i) Germany

BaFin: Documentation requirements for financial entities under DORA

Status: Final

BaFin published an overview of the documentation requirements for financial entities under DORA, together with a [guidance document](#). DORA contains numerous documentation requirements for companies in the financial sector. BaFin has compiled a detailed overview of these requirements. The overview is not mandatory and does not constitute an interpretation of the law by BaFin or an EU supervisory authority. Instead it is designed to serve as non-binding guidance.

Date of publication: 12/08/2025

(ii) EU

EBA: New Q&A on the application of DORA

Status: Final

The EBA published single rulebook Q&A relating to DORA. The answers to the questions were given by the joint European Supervisory Authorities. The Q&A covers:

- ♦ the identification of ICT service providers ([2024_7089](#));
- ♦ guidance on completing the refPeriod field of the parameters.csv file for the DORA register of information ([2025_7387](#)); and
- ♦ the obligation to maintain a register of information for FEs exempt under Article 16 of DORA ([2025_7388](#)).

Date of publication: 08/08/2025

e) Internal governance/"Authorised Persons Regime"

(i) EU

EBA: Consultation on draft revised Guidelines on internal governance under CRD IV

Status: Consultation

Deadline for the submission of comments: 05/10/2025

The EBA launched a consultation on draft revised Guidelines on internal governance under CRD IV. The revisions form part of the EBA's broader roadmap for implementing the EU Banking Package and reflect changes introduced by CRD VI and other relevant legislation, including DORA. The proposed amendments seek to: (i) align the Guidelines with the new requirements under Article 88(3) of CRD VI to ensure that each member of the

management body and each senior manager and key function holder has a documented statement of their role and duties, and that a map of duties of the members of the management body, senior managers and key function holders has been drawn up; (ii) incorporate findings from supervisory practices and the EBA's benchmarking report on diversity and gender-neutral remuneration policies; and (iii) provide specific guidance to ensure that third-country branches establish and maintain robust governance frameworks.

Date of publication: 07/08/2025

f) Supervisory reporting

(i) EU

Publication of Delegated and Implementing Regulations on the functioning of supervisory colleges under the CRD

Status: Published in the OJ

Date of entry into force: 28/08/2025

The following two Regulations were published in the OJ: (i) [Commission Delegated Regulation \(EU\) 2025/791 supplementing the CRD with regard to RTS specifying the general conditions for the functioning of supervisory colleges, and repealing Commission Delegated Regulation \(EU\) 2016/98](#); and (ii) [Commission Implementing Regulation \(EU\) 2025/790 laying down ITS for the application of the CRD with regard to the operational functioning of colleges of supervisors](#). Article 116 of CRD IV sets out provisions requiring consolidating supervisors to establish colleges of supervisors to facilitate certain supervisory tasks and to ensure appropriate coordination and cooperation with relevant third-country supervisory authorities. In addition, the competent authorities supervising an institution with significant branches in other Member States are, pursuant to Article 51(3) of CRD IV, required to establish and chair colleges of supervisors where Article 116 is not applicable. Article 51(4) of CRD IV empowers the Commission to adopt delegated acts specifying the general conditions for the functioning of colleges of supervisors. This Delegated Regulation repeals and replaces Delegated Regulation 2016/98 to account for amendments to CRD IV (e.g., in relation to the authorisation of certain financial holding companies and mixed financial holding companies, the establishment of intermediate EU parent undertakings, and the removal of investment firms from the scope of CRD IV). It also includes new articles on the exchange of information with the observers of the supervisory college, specifically with resolution colleges and AML and CFT colleges, to enhance cooperation and information exchanges with these authorities.

Date of publication: 08/08/2025

1.2 RECOVERY AND RESOLUTION

(i) Germany

BaFin: Publication of updated Guidance Notice regarding external bail-in implementation (*Veröffentlichung des angepassten Merkblatts zur externen Bail-in-Implementierung*)

Status: Final

BaFin published its updated Guidance Notice regarding external bail-in implementation. The Guidance Notice contains specifications for: the activities to be carried out by the actors involved, the information to be exchanged, communication channels, timelines and format templates. It thereby supports an effective and efficient implementation of the bail-in resolution tool, i.e. the participation of the holders of relevant capital instruments and the participation of creditors in accordance with Articles 21 and 27 of SRMR or Sections 89 and 90 of the German

Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz – SAG*). The updated version aims to implement the [EBA Guidelines to resolution authorities on the publication of the write-down and conversion and bail-in exchange mechanic](#) (EBA/GL/2023/01). In addition, the new version includes a uniform concept for the write-down and conversion of percentage-listed and share-quoted structured debt instruments.

The Guidance Notice is directed at all companies within the meaning of Article 2 of SRMR and companies within the meaning of Section 1(1) Nos. 1 to 3 of the SAG, based in Germany for which the resolution strategy provides for bail-in. This also includes institutions within the area of responsibility of the SRB as a resolution authority.

Date of publication: 28/08/2025

BaFin: Consultation on a Circular regarding MaBail-in (*Konsultation eines Rundschreibens zur MaBail-in*)

Status: Consultation

Deadline for the submission of comments: 23/09/2025

BaFin launched a consultation on a Circular on improving the resolvability of institutions. The draft contains revised minimum requirements for the feasibility of a bail-in (MaBail-in). It is aimed at all institutions and companies belonging to the group for which BaFin is responsible as the resolution authority. It does not apply to institutions and group companies for which the resolution plan provides for insolvency. The draft is an extension of the existing Circular 02/2024 and focuses on aligning MaBail-in with the Minimum Bail-in Data Template (MBDT) of the Single Resolution Board (SRB), including the Country Annex for Germany.

Date of publication: 26/08/2025

BaFin: FAQ on the form of the recovery plan according to simplified requirements as per Section 19 of the German Recovery and Resolution Act (*FAQ zum Formular „Sanierungsplan nach vereinfachten Anforderungen gemäß § 19 SAG“*)

Status: Final

BaFin updated its FAQ on the form of the recovery plan according to simplified requirements as per Section 19 of the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz – SAG*). With the update, the FAQ is revised and expanded.

Date of publication: 13/08/2025

(ii) EU

EBA: Consultation on draft RTS on the content of resolution plans and group resolution plans, the assessment of resolvability, and the operational functioning of resolution colleges under the BRRD

Status: Consultation

Deadline for the submission of comments: 05/11/2025

The EBA launched a consultation on proposed revisions to its RTS on resolution plans and resolution colleges, under [Delegated Regulation \(EU\) 2016/1075](#), adopted in accordance with the EU Bank Recovery and Resolution Directive. For resolution plans, the proposed changes seek to tackle the issue of increasingly long and detailed plans which have limited optionality by: (i) simplifying and streamlining resolution plans; (ii) making plans more operational to improve their usability, including by separating choice and execution of resolution strategy from assessment of an institution's resolvability; and (iii) introducing greater optionality to improve the flexibility of resolution planning. On resolution colleges, the proposed changes aim to simplify processes, improve cooperation

and information exchange among authorities and improve coordination in the implementation of a resolution scheme.

Date of publication: 05/08/2025

(iii) Eurozone

SRB: Consultation on operational guidance for banks on separability and transferability for transfer tools

Status: Consultation

Deadline for the submission of comments: 22/10/2025

The SRB launched a consultation on its operational guidance for banks on separability and transferability. The SRB has updated its 2021 operational guidance on separability and seeks to align it with its operational guidance on resolvability self-assessment, with its focus now being on operationalisation, resolution testing, and crisis readiness. It is accompanied by an [operational framework for transfer playbooks](#) and an [annex on testing](#). It is intended to clarify the procedures for banks and resolution authorities to operationalise the use of transfer tools, supporting enforcement of Articles 38-42 of BRRD and applies to all banks under the SRB's remit with transfer tools in their resolution plans. The SRB [states](#) that this update 'does not introduce new deliverables, but instead it seeks to enhance the effectiveness of existing ones'. The SRB invites [feedback](#) on the updates and their impact on banks' current deliverables. The guidance is intended to be applicable from the resolution planning cycle 2026.

Date of publication: 13/08/2025

SRB: Operational guidance for banks on resolvability self-assessment

Status: Final

The SRB published its operational guidance for banks on resolvability self-assessment, accompanied by a [press release](#). This marks a shift towards a more structured and standardised approach for banks to resolvability self-assessments and rigorous testing. The guidance, which is part of the [SRM Vision 2028 strategy](#), introduces a set of criteria to assess the extent to which banks meet the resolvability capabilities outlined in the [Expectations for Banks \(EfB\)](#). It includes a [self-assessment template](#) structured around the seven resolvability dimensions set out in the EfB, covering all elements of crisis readiness. It outlines the capabilities that banks should have in place to effectively execute resolution measures during a crisis. The methodology will also reflect how well banks' resolvability capabilities work in practice through their regular testing. The guidance was [consulted](#) on in December 2024, with key feedback summarised in a [feedback statement](#). In response to consultation feedback, the framework has been simplified to reduce administrative burden. Key changes include cutting resolvability capabilities by 20%, changing the reporting frequency to every two years, and introducing a less granular reporting structure, notably for testing activities.

Banks are required to submit their first self-assessment report under the new format by 31 January 2026, reflecting their resolvability self-assessment as of 31 December 2025. In light of the ongoing development of new policies and guidance, the self-assessment report may be subject to targeted amendments in the future. The SRB confirms that operational guidance on the testing framework, which complements the self-assessment approach, will be published later this year.

Date of publication: 07/08/2025

1.3 STRESS TESTS/MACROPRUDENTIAL TOPICS

(i) EU

EBA/ECB: Results of the 2025 stress test on the euro area banking sector

Status: Final

The EBA and ECB published the results of their stress test on the selected 96 (51 large and 45 medium-sized) euro area banks under direct ECB supervision. They concluded that this sector is resilient against severe economic downturn scenarios, setting out that the CET1 ratio of the banking system would stand at 12.0% at the end of the projection horizon in the adverse scenario, four percentage points lower than its starting point. They also found that strong profitability provides banks with a solid buffer against increased projected losses.

The ECB also published [FAQ](#) on this year's stress test. In addition, BaFin published a [press release](#) stating that all German banks that have been involved in the stress test have passed it.

Date of publication: 01/08/2025

2. Investment firms regulation

(i) Germany

BaFin: Documentation requirements for financial entities under DORA

Status: Final

BaFin published an overview of the documentation requirements for financial entities under DORA. For more information, please see section 1.1d) above.

Date of publication: 12/08/2025

BaFin: Consultation on a Circular regarding Minimum Requirements for the Risk Management for Securities Institutions – Wpl MaRisk (*Konsultation des Rundschreibens zu MaRisk von Wertpapierinstituten – MaRisk Wpl*)

Status: Consultation

Deadline for the submission of comments: 19/09/2025

BaFin launched a consultation on a new draft circular regarding Minimum Requirements for Risk Management of Securities Institutions (*MaRisk von Wertpapierinstituten – Wpl MaRisk*). The draft aims to provide a flexible and practical framework for small and medium-sized investment institutions to organise their business in accordance with the Securities Institutions Act (*Wertpapierinstitutsgesetz – WplG*). Until now, such institutions had to apply the Minimum Requirements for the Risk Management of Credit and Financial Services Institutions (*Mindestanforderungen an das Risikomanagement – MaRisk*), which are based on the German Banking Act (*Kreditwesengesetz – KWG*) and are primarily tailored to credit institutions. Therefore, a new circular that takes into account the characteristics of small and medium-sized investment institutions has become necessary.

Date of publication: 06/08/2025

(ii) EU

EBA: New Q&A on the application of DORA

Status: Final

The EBA published single rulebook Q&A relating to DORA. The answers to the questions were given by the joint European Supervisory Authorities. For more information, please see section 1.1d) above.

Date of publication: 08/08/2025

3. Market regulation/ Conduct rules

3.1 GENERAL

(i) EU

ESMA: Updated registration guide

Status: Final

ESMA published an updated registration guide, outlining the procedures and expectations for entities seeking registration, authorisation, recognition, or endorsement to operate within EU financial markets. The guide applies to a broad range of entities, including credit rating agencies, benchmark administrators, trade and securitisation repositories, and data reporting service providers. It also anticipates the forthcoming mandates such as the appointment of ESG rating providers and external reviewers under the EU Green Bond Regulation. Applicants are expected to submit complete and accurate documentation aligned with relevant RTS/ITS. ESMA places particular emphasis on governance, internal controls, ICT resilience, outsourcing risks, and methodological robustness as key criteria in its assessment process. From January 2026, new mandates under the Benchmarks Regulation review and the ESG Regulation will expand ESMA's supervisory scope. While not legally binding, the guide serves as a practical tool to promote transparency and consistency across ESMA's supervisory functions and should be read alongside the specific information available on ESMA's website and the relevant RTS/ITS. The Annex to the guide provides a consolidated overview of the applicable legal frameworks for each type of supervised entity, providing a practical reference point for applicants navigating the registration and compliance process.

Date of publication: 18/08/2025

3.2 CAPITAL MARKETS UNION

(i) Germany

BMF: Minister's bill on the draft Law to Promote Private Investment and the Financial Centre (Referentenentwurf des Standortfördergesetzes – StoFöG)

Status: Draft

The Federal Ministry of Finance (*Bundesfinanzministerium* – BMF) published a draft bill on the Law to Promote Private Investment and the Financial Centre. It aims to promote private investment, especially in infrastructure and renewable energies, as well as in smaller companies and start-ups (venture capital) in implementation of the coalition agreement. The draft law is part of the immediate action programme agreed by the federal government on 28 May 2025.

Among others, the law focuses on the following measures to improve the financing conditions of companies and to make the financial sector more competitive: (i) measures improving financing opportunities for small businesses and start-ups; (ii) the promotion of investments by funds in renewable energy and infrastructure; (iii) measures to reduce bureaucracy in the financial market sector without lowering the level of consumer protection, in particular BaFin

streamlining supervisory processes; and (iv) location-friendly implementation of EU legal acts regarding capital markets, including the Listing Act, ESAP, and MIFIR Review.

Date of publication: 22/08/2025

3.3 MIFID/MIFIR

(i) Germany

BMF: Minister's bill on the draft Law to Promote Private Investment and the Financial Centre (*Referentenentwurf des Standortfördergesetzes – StoFöG*)

Status: Draft

The Federal Ministry of Finance (*Bundesfinanzministerium* – BMF) published a draft bill on the Law to Promote Private Investment and the Financial Centre. For more information, please see section 3.2 above.

Date of publication: 22/08/2025

(ii) EU

EC: Draft Delegated Regulation on providing market data, what constitutes a liquid market for equity instruments, and PTRR disclosures under MiFIR

Status: Consultation

Deadline for the submission of comments: 05/09/2025

The EC published a draft delegated regulation amending Delegated Regulation 2017/567 as regards the obligation to provide market data on a reasonable commercial basis, the determination of what constitutes a liquid market for equity instruments, and the definition of and disclosure for post-trade risk reduction (PTRR) services under MiFIR.

The proposed amendments follow and seek to reflect the **MiFIR reform** aimed at enhancing data transparency, removing obstacles to the emergence of consolidated tapes, optimising the trading obligations and prohibiting receiving payment for order flow and **parallel amendments to MiFID II**. In particular, they:

- ♦ Amend the provisions relating to the determination of what constitutes a 'liquid market' for the purposes of Articles 4, 5 and 14 of MiFIR by replacing the 'free float' criterion with the 'market capitalisation' criterion, and clarify certain other issues around the liquidity assessment for equity instruments;
- ♦ Delete provisions that clarify what constitutes a 'reasonable commercial basis' for trading venues and systematic internalisers;
- ♦ Delete the provision which specifies the size of a financial instrument for the purposes of the requirements applicable to systematic internalisers in respect of non-equity instruments; and
- ♦ Specify what constitutes PTRR services for the purposes of the exemption laid down in Article 31(1) of MiFIR.
- ♦ Delete publication requirements for portfolio compression services.

The EC plans to adopt the delegated regulation in Q4 2025. The draft Delegated Regulation is expressed to enter into force and apply generally 20 days after publication in the OJ, although certain aspects are stated to apply from 2 March 2026 and others from a date to be aligned with Article 27 of the draft RTS on the obligation to make market data available to the public on a reasonable commercial basis (**C(2025) 3103**).

Date of publication: 08/08/2025

4. Market infrastructure

4.1 EMIR

(i) EU

BFM: Minister's bill on the Law on Limiting the Fund Risk (*Referentenentwurf des Fondsrisikobegrenzungsgesetzes*)

Status: Draft

The Federal Ministry of Finance (*Bundesfinanzministerium* – BMF) published a minister's bill on the law on limiting the fund risk. The draft law will transpose the amendments to the UCITS Directive and AIFMD into national law. In addition, the possibility of launching closed-end special funds in the mutual fund sector will also be created. It should also be easier for providers of closed-end funds to offer citizen participation in the field of renewable energy.

Further amendments to the German Capital Investment Code (*Kapitalanlagegesetzbuch* – KAGB), the Banking Act (*Kreditwesengesetz* – KWG), the Securities Institutions Act (*Wertpapierinstitutsgesetz* – WpIG) and the Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG) will also adapt these laws to EMIR and implement the accompanying Directive (EU) 2024/2994. These EU acts revised the legal framework for clearing by CCPs in the EU. The revision aims to reduce excessive exposures of EU market participants to third-country CCPs and to strengthen clearing in the EU.

Date of publication: 08/08/2025

4.2 CLEARING, SETTLEMENT, AND CCPS RELATED RULES OTHER THAN IN THE CONTEXT OF DERIVATIVES

(i) EU

ECB: Decision on safeguards in relation to access by CCPs to Eurosystem overnight credit in TARGET

Status: Published in the OJ

Date of entry into force: 02/09/2025

Date of application: 06/10/2025

The ECB Decision 2025/1734 on safeguards in relation to access by central counterparties (CCPs) to Eurosystem overnight credit in TARGET, was published in the OJ. Under [Guideline 2022/912](#), national central banks of Member States whose currency is the euro may provide overnight credit through a dedicated crisis facility to CCPs that are established in the euro area and meet certain requirements. This Decision specifies: (i) the requirements that CCPs must meet in relation to financial soundness and liquidity risk management; (ii) the assessments of compliance which the Eurosystem central banks are to carry out; (iii) the Governing Council's powers to decide on discretionary measures in cases where an eligible CCP does not comply with the requirements relating to the safeguards on financial soundness and sound liquidity risk management; and (iv) the penalties applicable for cases where a CCP's access to the CCP credit facility has been limited and the CCP exceeds the restricted level of access, or resorts to

the CCP credit facility in breach of relevant requirements relating to liquidity risk controls. The application date is aligned with the date of application of the amendments to Guideline 2022/912 relating to the CCP credit facility.

Date of publication: 13/08/2025



5. Anti-money laundering

(i) Germany

BMF: Minister's bill on the draft Law to Promote Private Investment and the Financial Centre (*Referentenentwurf des Standortfördergesetzes – StoFöG*)

Status: Draft

The Federal Ministry of Finance (*Bundesfinanzministerium* – BMF) published a draft bill on the Law to Promote Private Investment and the Financial Centre. For more information, please see section 3.2 above.

Date of publication: 22/08/2025

(ii) EU

EBA: Report on the use of AML/CFT SupTech tools

Status: Final

The EBA published a report on the use of SupTech tools in AML/CFT supervision, as well as a [press release](#). In November 2024, the EBA surveyed competent authorities on their use of SupTech tools, and in January 2025, a workshop was held on AML/CFT SupTech. The EBA's report provides its findings from both programs and, considers the current use of SupTech tools at EU level, and how those tools are implemented. The EBA concludes that SupTech tools can improve the effectiveness of AML/CFT supervision and competent authorities have identified benefits such as enhanced collaboration, improved data quality and analytics and the ability to scale supervision under the new EU AML/CFT framework, particularly with the establishment of the Authority for Anti-Money Laundering and Countering the Financing of Terrorism, known as [AMLA](#). Poor data quality and governance, limited resources, legal uncertainty, operational risks, and friction related to institutional transformation are recognised as potentially impeding progress. Various good practices have emerged, including promoting a digital-first culture, adopting structured change management strategies, enhancing data governance and interoperability and leveraging synthetic data to safeguard privacy.

Date of publication: 12/08/2025

(iii) International

FATF: Announcement of the launch of new NRA toolkit for AML/CFT measures

Status: Final

The FATF announced the launch of a new National Risk Assessment (NRA) toolkit aimed at enhancing countries' ability to identify and address money laundering risks. The [toolkit](#) supports a risk-based approach aligned with FATF Standards and provides cross-country insights into predicate offences, laundering methods, and proceeds of crime. It focuses on four priority areas that are currently consistently challenging to assess, specifically: [corruption](#), [virtual assets and service providers](#), [legal persons and arrangements](#), and the [informal economy](#). Quick guides, which include practical examples, have also been published to support risk assessment in each priority area. The toolkit draws on good practices from FATF member jurisdictions and is designed to be flexible and adaptable to country-specific needs. It can be integrated into a full NRA, applied to sectoral or thematic assessments, or used to strengthen broader efforts to improve risk understanding. Coinciding with the launch, the FATF also updated its

NRA guidance, to reflect recent changes made to its [Recommendation 1 standard and guidance](#) on financial inclusion and anti-money laundering and counter terrorist financing measures.

Date of publication: 28/08/2025



6. Payments

6.1 PAYMENT SERVICES/E-MONEY

(i) Germany

BaFin: Documentation requirements for financial entities under DORA

Status: Final

BaFin published an overview of the documentation requirements for financial entities under DORA. For more information, please see section 1.1d) above.

Date of publication: 12/08/2025

(ii) EU

EBA: New Q&A on the application of DORA

Status: Final

The EBA published single rulebook Q&A relating to DORA. The answers to the questions were given by the joint European Supervisory Authorities. For more information, please see section 1.1d) above.

Date of publication: 08/08/2025

6.2 PAYMENT AND SETTLEMENT SYSTEMS

(i) EU

Publication of Commission Decision extending mandate of Payment Systems Market Expert Group

Status: Published in the OJ

Date of application: 29/07/2025

The Commission Decision amending Decision 2011/C 253/04 of 29 August 2011 was published in the OJ. The amendment, adopted on 25 July, extends the mandate of the Payment Systems Market Expert Group (PSMEG) from 31 December 2025 to 31 December 2030. The PSMEG is composed of a broad range of payment service providers and users, and advises the EC on policy development and implementation in the payments sector. The extension reflects the continued need for expert input amid rapid innovation, technological progress and evolving market developments.

Date of publication: 29/07/2025

7. Institutional supervisory framework

(i) EU

EBA: Opinion on the 2021 discharge report of the EP

Status: Final

The EBA published an opinion in response to the observations made by EP in its 2023 Discharge Report. In the new format report, covering all agencies, the number of observations directly mentioning the EBA is low and none requires further specific follow-up actions.

Date of publication: 29/08/2025

Publication of technical standards supplementing the CRD regarding the functioning of colleges of supervisors

Status: Published in the OJ

Date of entry into force: 28/08/2025

Commission Delegated Regulation 2025/791 and Commission Implementing Regulation 2025/790, with regard to the functioning of colleges of supervisors referred to in Articles 116 and 51(3) of CRD IV were published in the OJ. For more information, please see section 1.1a) above.

Date of publication: 08/08/2025

(ii) International

FSB: Annual financial report 2024-2025

Status: Final

The FSB published an annual financial report for 2024-2025. The report contains the audited financial statements of the FSB for the 12-month period from 1 April 2024 to 31 March 2025. It also provides details on the FSB governance arrangements and its transparency and accountability mechanisms.

Date of publication: 27/08/2025

8. Investment funds

8.1 PRODUCT REGULATION

a) AIF

(i) Germany

BFM: Minister's bill on the Law on Limiting the Fund Risk (*Referentenentwurf des Fondsrisikobegrenzungsgesetzes*)

Status: Draft

The Federal Ministry of Finance (*Bundesfinanzministerium* – BMF) published a minister's bill on the Law on Limiting the Fund Risk. For more information, please see section 4.1 above.

Date of publication: 08/08/2025

b) UCITS

(i) Germany

BFM: Minister's bill on the law on limiting the fund risk (*Referentenentwurf des Fondsrisikobegrenzungsgesetzes*)

Status: Draft

The Federal Ministry of Finance (*Bundesfinanzministerium* – BMF) published a minister's bill on the Law on Limiting the Fund Risk. For more information, please see section 4.1 above.

Date of publication: 08/08/2025

9. Special rules for real estate financing and covered bonds

9.1 COVERED BONDS

(i) Germany

BaFin: FAQ on the appointment and on the extension of the appointment of trustees and representatives at a Pfandbriefbank pursuant to Sections 7 et seq. of the German Pfandbrief Act (*FAQs zur Bestellung und Verlängerung der Bestellung von Treuhändern und Stellvertretern bei einer Pfandbriefbank gemäß §§ 7 ff. des Pfandbriefgesetzes – PfandBG*)

Status: Final

BaFin updated its FAQ on the appointment, and the extension of an appointment of trustees and representatives at a Pfandbriefbank pursuant to Sections 7 et seq. of the German Pfandbrief Act (*Pfandbriefgesetz – PfandBG*). These FAQ are directed at all Pfandbriefbanken within the meaning of Section 1(1)(1) PfandBG. The FAQ apply accordingly to the appointment or the extension of an appointment of trustees and representatives under Section 7(5) of the DSL Bank-Umwandlungsgesetz and Section 9(5) of the DG Bank-Umwandlungsgesetz. They are intended to provide practical assistance in formally compiling the documents required for the appointment of trustees and their deputies.

Date of publication: 07/08/2025

10. Special topics

10.1 FINTECH/DIGITAL FINANCE

(i) Germany

Publication of the Crypto Markets Notification Regulation (*Veröffentlichung der Kryptomärktemitteilungs-Verordnung*)

Status: Published in the Federal Gazette

Date of entry into force: 29/08/2025

BaFin published a Regulation implementing the MiCA Regulation (*Kryptomärktemitteilungs-Verordnung* – KMMV) with regard to requirements for the transmission of insider information. The draft provides issuers, providers and applicants under the MiCA Regulation with more detailed instructions on how they must submit insider information to BaFin. It also clarifies how deferral notices are to be sent to BaFin. The requirements aim to ensure that information will be submitted in a uniform manner and contain all relevant content.

Date of publication: 28/08/2025

BaFin: Documentation requirements for financial entities under DORA

Status: Final

BaFin published an overview of the documentation requirements for financial entities under DORA. For more information, please see section 1.1d) above.

Date of publication: 12/08/2025

(ii) EU

Commission Delegated Regulation (EU) 2025/885 supplementing MiCAR with regard to RTS specifying the arrangements, systems and procedures to prevent, detect and report market abuse, the templates to be used for reporting suspected market abuse, and the coordination procedures between the competent authorities for the detection and sanctioning of market abuse in cross-border market abuse situations

Status: Published in the OJ

Date of entry into force: 09/09/2025

Commission Delegated Regulation (EU) 2025/885 supplementing MiCAR with regard to RTS specifying the arrangements, systems, and procedures for persons to prevent, detect, and report market abuse, the templates to be used for reporting suspected market abuse, and the coordination procedures between competent authorities for the detection and sanctioning of market abuse in cross-border market abuse situations, was published in the OJ.

Date of publication: 20/08/2025

EBA: Report on the use of AML/CFT SupTech tools

Status: Final

The EBA published a report on the use of SupTech tools in AML/CFT supervision, as well as a [press release](#). For more information, please see section 5 above.

Date of publication: 12/08/2025

EBA: New Q&A on the application of DORA

Status: Final

The EBA published single rulebook Q&A relating to DORA. The answers to the questions were given by the joint European Supervisory Authorities. For more information, please see section 1.1d) above.

Date of publication: 08/08/2025

EBA: Final report on draft RTS on the calculation and aggregation of crypto exposure values under Article 501d(5) of the CRR

Status: Final

The EBA published its final report containing draft RTS on the prudential treatment of cryptoasset exposures under the CRR, as amended by the CRR3. The RTS specify the technical elements necessary for institutions to calculate and aggregate cryptoasset exposures in relation to the prudential treatment of such exposures. The draft RTS, initially consulted on in January 2025, remain largely unchanged, however in response to consultation feedback, the EBA: (i) removes the requirement for prudent valuation of fair value cryptoasset exposures; and (ii) introduces a provision clarifying how institutions should aggregate long and short positions when determining the exposure limit. Together with the transitional provisions in the CRR3, the RTS provide institutions with an interim method to capitalise cryptoasset exposures until a permanent prudential framework is in place, enabling institutions to participate in the rapidly evolving crypto markets.

Date of publication: 05/08/2025

10.2 AI

(i) International

BCBS: Launch of project noor to explain AI models for financial supervision

Status: Final

The BIS Innovation Hub announced the launch of Project Noor, a collaborative initiative with the Hong Kong Monetary Authority and the UK Financial Conduct Authority aimed at enhancing the transparency and accountability of AI models used by banks and other financial institutions. AI is increasingly shaping decisions in digital finance, from mortgage approvals to fraud detection, yet as these models grow more complex, a press release states, regulators and consumers alike face challenges in interpreting how decisions are made. Project Noor seeks to address this by prototyping explainable AI (XAI) tools that translate complex model logic into human-readable explanations and intuitive visuals. The initiative intends to support compliance with emerging regulations requiring high-risk financial AI systems to be auditable and explainable, without prescribing fixed standards. It empowers supervisors to assess fairness, robustness, and consistency in AI-driven decisions, while preserving privacy and promoting responsible innovation. Importantly, Project Noor does not seek to override existing

practices or impose mandatory frameworks rather, its purpose is to support supervisors by offering tools and reference points to help them develop their own – well-informed – judgement. Financial institutions will remain responsible for model explainability.

Date of publication: 18/08/2025

10.3 SUSTAINABLE FINANCE

(i) EU

ECB: Letter to MEPs on climate risk strategy and potential risks from Omnibus I Sustainability package

Status: Final

The ECB President, Christine Lagarde, issued a letter responding to Members of the EP regarding the Eurosystem's evolving approach to climate-related financial risks. Firstly, the letter confirms the ECB's plan to introduce a "climate factor" in the second half of 2026, which will adjust the collateral value of marketable assets from non-financial corporations, based on climate risk data. This replaces previously proposed collateral pool concentration limits, which were not implemented due to insufficient data granularity. The climate factor is part of the ECB's broader Climate and Nature Plan, aimed at strengthening climate risk management across the Eurosystem's balance sheet and collateral framework. Secondly, the letter emphasises the importance of high-quality climate data, and raises concerns about the Omnibus I sustainability package, which proposes amendments to the CSRD and the Corporate Sustainability Due Diligence Directive that would reduce reporting obligations. As highlighted in the [ECB opinion dated 8 May](#) on the Omnibus proposal, it is their view that the proposed changes risk reducing firm-level sustainability reporting, weakening the Eurosystem's ability to assess climate-related financial risks, and causing delays in the transposition of the CSRD into the national laws of euro area member states. The letter concludes by stressing the need to "strike the right balance" between preserving the benefits of sustainability reporting and ensuring proportionality in its requirements.

Date of publication: 15/08/2025

ESMA: MoU with the European Environment Agency to strengthen cooperation in sustainable finance

Status: Final

ESMA and the European Environment Agency (EEA) announced the signing of a Memorandum of Understanding (MoU) to enhance cooperation in the area of sustainable finance. The MoU seeks to reinforce the integration of environmental considerations into the EU's sustainable finance framework, including its supervisory practices. It outlines how ESMA and the EEA will exchange expertise, data and information to promote collaboration between national securities regulators and environmental authorities. This partnership is expected to create synergies, reduce duplication of efforts, and support the EU's broader goals in addressing biodiversity loss, climate change, and pollution.

Date of publication: 20/08/2025

EBA: No-action letter on the application of ESG disclosure requirements

Status: Final

The EBA published an opinion in the form of a no-action letter, addressing the application of the ESG Pillar 3 disclosure requirements under the EBA disclosure ITS. The letter includes recommendations to national competent authorities aimed at easing the implementation timeline for revised ESG Pillar 3 disclosure requirements under the Capital Requirements Regulation (CRR). The objective is to alleviate operational burdens on institutions pending the adoption and publication of amendments to [Commission Implementing Regulation \(EU\) 2024/3172](#) in the OJ. Specifically, the EBA advises national competent authorities to not prioritise enforcement for the following: (i) the disclosure of certain ESG disclosure templates (specifically EU 6 to EU 10 and parts of Templates 1 and 4) for large institutions with listed securities, as required under Commission's Implementing Regulation (EU) 2024/3172; (ii) the collection of the same templates as referenced under the EBA Decision [EBA/DC/498 of 6 July 2023](#) for large institutions and securities; and (iii) the disclosure of corresponding ESG templates under Commission Implementing Regulation (EU) 2024/3172 for institutions that have only recently come under the scope of Article 449a of the CRR. Alongside the no-action letter, the EBA also published an updated version of the [ESG risk dashboard](#). The dashboard indicates that the ESG risk landscape across EU/EEA banks remains stable. The EBA notes that future editions of the dashboard will be adjusted in line with the no-action letter and the recommendations outlined therein.

Date of publication: 06/08/2025

ESAs: Q&A on the SFDR and the SFDR Delegated Regulation

Status: Final

The ESAs published an updated version of its consolidated Q&A document (JC 2023 18) on the Sustainable Finance Disclosure Regulation (SFDR) and on Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR. The latest update includes four new Q&As addressing: (i) the definition of the term “water usage”; (ii) how to calculate useful internal floor area for owned real estate assets; (iii) best practice for disclosure of percentages for environmentally and socially sustainable investments; and (iv) whether financial products should calculate top investments or shares of investments in periodic disclosures in a specific way over the reference period.

Date of publication: 04/08/2025

Commission Recommendation (EU) 2025/1710 on a voluntary sustainability reporting standard for small and medium-sized undertakings

Status: Published in the OJ

The recommendation on a voluntary sustainability reporting standard for small and medium-sized enterprises (SMEs) was published in the OJ. It serves as an interim measure ahead of a formal delegated act, which will establish a future voluntary standard as part of the [Omnibus I simplification package](#). Among other things, the Omnibus I package amends the CSRD to make sustainability reporting more accessible and efficient.

The EC's standard is intended to make it easier for SMEs not covered by CSRD to respond to requests for sustainability information from large companies and financial institutions that are subject to CSRD. SMEs may also choose to voluntarily report sustainability information in line with the standard to enhance their access to sustainable finance and improve their internal sustainability performance monitoring. The EC encourages large companies and financial institutions to base their sustainability information requests to SMEs on this voluntary standard as far as possible. The upcoming delegated act, which may differ in content from the recommendation, will also introduce a “value-chain cap” to protect SMEs from disproportionate data demands from their value chain

partners. Its adoption will depend on the timing and outcome of negotiations between the co-legislators on the Omnibus I proposal.

Date of publication: 30/07/2025

Commission Delegated Regulation (EU) 2025/753 establishing the content, methodologies and presentation of the information to be voluntarily disclosed by issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds in the templates for periodic post-issuance disclosures

Status: Published in the OJ

Date of entry into force: 14/08/2025

Commission Delegated Regulation (EU) 2025/753, establishing the content, methodologies and presentation of the information to be voluntarily disclosed by issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds in the templates for periodic post-issuance disclosures, was published in the OJ.

Date of publication: 25/07/2025

Communication from the EC establishing non-binding Guidelines for pre-issuance disclosure templates for issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds

Status: Published in the OJ

The Communication from the EC establishing non-binding Guidelines for pre-issuance disclosure templates for issuers of bonds marketed as environmentally sustainable or of sustainability-linked bonds was published in the OJ.

Date of publication: 25/07/2025

11. German Omnibus Acts (*Artikelgesetze*)

(i) Germany

BMF: Minister's bill for the Banking Directive Implementation and Bureaucracy Relief Act (*Referentenentwurf des Bankenrichtlinienumsetzungs- und Bürokratieentlastungsgesetzes – BRUBEG*)

Status: Draft

The Federal Ministry of Finance (*Bundesfinanzministerium* – BMF) published the draft bill for the Banking Directive Implementation and Bureaucracy Relief Act (*Bankenrichtlinienumsetzungs- und Bürokratieentlastungsgesetz* – BRUBEG). For more information, please see section 1.1a) above.

Date of publication: 22/08/2025

BFM: Minister's bill on the Law on Limiting the Fund Risk (*Referentenentwurf des Fondsrisikobegrenzungsgesetzes*)

Status: Draft

The Federal Ministry of Finance (*Bundesfinanzministerium* – BMF) published a minister's bill on the law on limiting the fund risk. For more information, please see section 4.1 above.

Date of publication: 08/08/2025

Contact

Financial Services Regulatory/Funds and Asset Management Capital Markets



Dr Alexander Behrens
Key contact / Partner

Tel +49 69 2648 5730
alexander.behrens@aoshearman.com



Dorothee Atwell
Partner

Tel +49 69 2648 5408
dorothee.atwell@aoshearman.com



Stephan Funck
Of Counsel

Tel +49 69 2648 5791
stephan.funck@aoshearman.com



Dr Dang Ngo
Of Counsel

Tel +49 69 2648 5836
dang.ngo@aoshearman.com



Dr Daniela Schmitt
Counsel

Tel +49 69 2648 5475
daniela.schmitt@aoshearman.com



Martina Stegmaier
Counsel

Tel +49 69 2648 5605
martina.stegmaier@aoshearman.com



Lukas Wagner
External Consultant

lukas.wagner@aoshearman.com



Niklas Germayer
Senior Associate

Tel +49 69 2648 5973
niklas.germayer@aoshearman.com



Valeska Karcher
Senior Associate

Tel +49 69 2648 5312
valeska.karcher@aoshearman.com



Maria-Therese Bless
Associate

Tel +49 69 2648 5844
maria-therese.bless@aoshearman.com



Suzana Cvejic
Associate

Tel +44 20 3088 8012
suzana.cvejic@aoshearman.com



Jonathan Leyendecker
Associate

Tel +49 69 2648 5397
jonathan.leyendecker@aoshearman.com



Ruth Rawas
Associate

Tel +49 69 2648 5616
ruth.rawas@aoshearman.com



Julius Brauer
Senior Business Lawyer

Tel +49 69 2648 5504
julius.brauer@aoshearman.com



Lisa Huber
*External Consultant
(Knowledge)*

Tel +49 69 2648 5467
lisa.huber@aoshearman.com

**Derivatives, Structured
Finance and Financial
Services Regulatory**



Dr Stefan Henkelmann
Partner

Tel +49 69 2648 5997
stefan.henkelmann@aoshearman.com

**Derivatives and
Structured Finance, Debt
Capital Markets**



Martin Scharnke
Head of ICM Germany

Tel +49 69 2648 5835
martin.scharnke@aoshearman.com

For more information, please contact:

Frankfurt

Bockenheimer Landstraße 2
60306 Frankfurt am Main
Germany

Tel +49 69 2648 5000

Fax +49 69 2648 5800

Global presence

A&O Shearman is an international legal practice with nearly 4,000 lawyers, including some 800 partners, working in 29 countries worldwide. A current list of A&O Shearman offices is available at aoshearman.com/en/global-coverage.

A&O Shearman means Allen Overy Shearman Sterling LLP and/or its affiliated undertakings. Allen Overy Shearman Sterling LLP is a limited liability partnership registered in England and Wales with registered number OC306763. Allen Overy Shearman Sterling (Holdings) Limited is a limited company registered in England and Wales with registered number 07462870. Allen Overy Shearman Sterling LLP (SRA number 401323) and Allen Overy Shearman Sterling (Holdings) Limited (SRA number 557139) are authorised and regulated by the Solicitors Regulation Authority of England and Wales.

The term partner is used to refer to a member of Allen Overy Shearman Sterling LLP or a director of Allen Overy Shearman Sterling (Holdings) Limited or, in either case, an employee or consultant with equivalent standing and qualifications or an individual with equivalent status in one of Allen Overy Shearman Sterling LLP's affiliated undertakings. A list of the members of Allen Overy Shearman Sterling LLP and of the non-members who are designated as partners, and a list of the directors of Allen Overy Shearman Sterling (Holdings) Limited, is open to inspection at our registered office at One Bishops Square, London E1 6AD.

A&O Shearman was formed on 1 May, 2024 by the combination of Shearman & Sterling LLP and Allen & Overy LLP and their respective affiliates (the legacy firms). This content may include material generated and matters undertaken by one or more of the legacy firms rather than A&O Shearman.

© Allen Overy Shearman Sterling LLP 2025. This document is for general information purposes only and is not intended to provide legal or other professional advice. | 0424_CDD76626