

A&O SHEARMAN



Regulatory monitoring

NEWSLETTER
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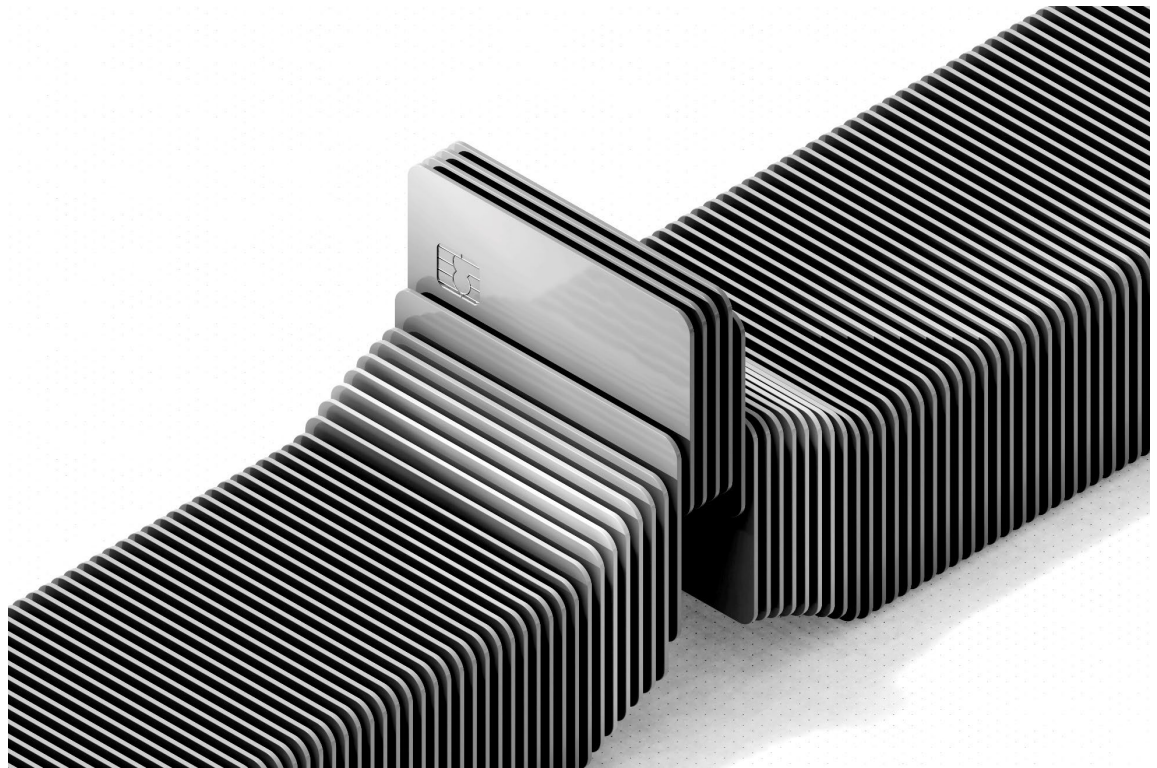
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FEATURES

HORIZON SCANNING/REGULATORY MONITORING

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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

BaFin: Publication of Circular 10/2025 (BA) on the SNCI status (*Veröffentlichung des Rundschreibens 10/2025 (BA) zum SNCI-Status*)

Status: Final

BaFin published its Circular 10/2025 (BA) on the SNCI status (small and non complex institution). It points out that newly founded institutions may already receive the SNCI status during their first year of existence if they fulfil all criteria pursuant to Article 4(1)(145)(a)-(h) CRR. This allows them to benefit from reduced notification requirements. In particular, the Circular details the differences between the application of these criteria during the first year of existence compared to any later application.

Date of publication: 22/09/2025

(ii) EU

ECB: Consultation on draft Guidelines on managing legacy NPEs in LSIs

Status: Consultation

Deadline for the submission of comments: 27/10/2025

The ECB **launched a consultation on a draft Guideline**, accompanied by a **press release**, aimed at harmonising the supervisory approach of national competent authorities (NCAs) to non-performing exposures (NPEs) held by less significant institutions (LSIs). The Guideline seeks to address persistent legacy NPE challenges by establishing supervisory coverage expectations for exposures originated before 26 April 2019, which fall outside the scope of existing Capital Requirements Regulation deduction requirements. Developed in collaboration with NCAs, it reflects the ECB's oversight role within the Single Supervisory Mechanism, promoting the consistent application of high supervisory standards across participating Member States while allowing for the NCAs' supervisory discretion under the Pillar 2 framework. Building on the successful application of a similar approach for significant institutions since 2018, the Guideline is tailored to the specific characteristics of LSIs. It introduces a risk-based, proportionate approach, enabling an NCA to annually determine which LSIs fall under its remit based on specific risk and contextual criteria. This is intended to help avoid distortive effects and ensures tailored supervisory follow-up on a case-by-case basis, taking into account the individual circumstances of each bank. Implementation will be phased in gradually from 31 December 2025 to 31 December 2028, with relevant reporting requirements based on a concise template closely aligned with the existing common reporting (COREP) data submissions.

After the deadline for comments, the ECB will publish a feedback statement and the final Guideline. The consultation is accompanied by **FAQ**.

Date of publication: 15/09/2025

b) Solvency/Own funds issues

(i) Germany

BaFin: 18th meeting of the expert committee on commercial transactions (18. Sitzung des Fachgremiums Handelsgeschäfte)

Status: Final

BaFin published the presentation on the 18th meeting of the expert committee on commercial transactions. In particular, it details the status quo of the Fundamental Review of the Trading Book (FRTB) as well as changes resulting from the adjusted boundary between trading book and banking book.

Date of publication: 08/09/2025

(ii) EU

Commission Delegated Regulation (EU) 2025/1496 amending the CRR with regard to the date of application of the own funds requirements for market risk

Status: Published in the OJ

Date of entry into force: 20/09/2025

Date of application: 01/01/2026

The Delegated Regulation (EU) 2025/1496 amending the CRR regarding the date of the application of market risk prudential requirements was published in the OJ. While the application of the new market risk requirements, which form part of the Fundamental Review of the Trading Book (FRTB) under the Basel III international standards, had already been postponed to 1 January 2026, this Delegated Regulation further delays their application to 1 January 2027. It follows continued delays and uncertainty regarding FRTB implementation in other key jurisdictions, raising concerns about a level playing field for internationally active banks. Until the new date, financial institutions must continue to apply the existing market risk framework as set out in the CRR as of 8 July 2024 and maintain current reporting and disclosure requirements under pre-FRTB approaches. Competent authorities are encouraged to exercise flexibility in their assessment of internal models during this transitional period to avoid unintended impacts on own funds requirements that are not linked to increases in the underlying market risk.

Date of publication: 19/09/2025

EBA: Extension of consultation deadline for draft Guidelines on credit conversion factors

Status: Consultation

Deadline for the submission of comments: 29/10/2025

The EBA announced an extension to the consultation deadline for its draft Guidelines on credit conversion factor estimations (EBA/CP/2025/10) under the CRR, as amended by the CRR III. The original deadline of 15 October has now been extended to 29 October 2025. The consultation paper sets out draft Guidelines on the methodology institutions shall apply for their own estimation and application of credit conversion factors under Article 182(5) of the CRR, to ensure alignment and consistency with existing Guidelines on the Probability of Default and Loss Given Default estimation.

Date of publication: 04/09/2025

c) Supervisory reporting

(i) EU

ECB: Adoption of Regulation to amend reporting of supervisory financial information under SSM

Status: Final

The ECB adopted Regulation (EU) (ECB/2025/31) (Amending Regulation) amending [Regulation \(EU\) 2015/534](#) on the reporting of supervisory financial information (the Financial Reporting Regulation) under the SSM. The Financial Reporting Regulation sets out reporting requirements based on templates developed by the European Banking Authority and laid down in Commission Implementing Regulation (EU) 2021/451, now repealed and replaced by [Implementing Regulation \(EU\) 2024/3117](#). In line with the principle of proportionality, less significant credit institutions and branches with total assets of EUR3 billion or less are subject to reduced reporting requirements, limited to a subset of data points as specified in Annex III of the Financial Reporting Regulation. In order to exercise oversight over the functioning of the SSM and to promote the consistent application of high supervisory standards, the ECB needs additional data points concerning these less significant credit institutions. The Amending Regulation amends the Financial Reporting Regulation to enable the ECB to collect additional data on those institutions, to enable comparability of outcomes of the supervisory review and evaluation process (SREP).

The Amending Regulation will enter into force on the 20th day following its publication in the OJ and will apply from 30 December 2025.

Date of publication: 09/09/2025

EBA: Draft technical package and new enhanced DPM 2.0 glossary

Status: Consultation

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

The EBA published a draft technical package for version 4.2 of its reporting framework, marking a key milestone in the transition to the DPM 2.0 standard and the introduction of a fully enhanced semantic glossary. This early publication aims to support reporting entities in preparing for the upcoming changes ahead of the final release scheduled for November 2025. The EBA welcomes feedback on both the draft technical package and the new glossary.

Date of publication: 05/09/2025

Publication of Better Data Sharing Regulation to streamline EU financial data reporting

Status: Published in the OJ

Date of application: 18/09/2025

The Better Data Sharing Regulation (Position (EU) No 5/2025), formally adopted by the Council of the EU on 8 July, was published in the OJ, together with the [Council's Statement of Reasons](#). The Regulation amends seven foundational EU laws to streamline supervisory reporting and improve data sharing among EU financial authorities. Key features include: (i) a requirement for the European Supervisory Authorities, through the Joint Committee and in cooperation with other EU bodies, to deliver a feasibility report within five years (i.e., by 18 September 2030) on a cross-sectoral integrated reporting system. Based on its findings and a comprehensive impact assessment, the European Commission may, where appropriate, put forward a legislative proposal; (ii) calls for consistent application of the "report once" principle, whereby authorities should obtain information from other authorities that have already collected it, rather than requesting it again from reporting entities, provided this does not compromise the entities' ability to perform their tasks; (iii) a shift from biannual to annual reporting under the [InvestEU](#)

Programme; (iv) clarification of the scope and conditions for both mandatory and voluntary data sharing; and (v) encouragement for authorities to enter into memoranda of understanding to support information exchange.

Date of publication: 29/08/2025

d) Disclosure

(i) Germany

**BaFin: Approval of EBA's no-action letter on the application of ESG disclosure requirements
(Zustimmung zum No-Action-Letter der EBA zur Anwendung der ESG-Offenlegungspflicht)**

Status: Final

BaFin published a statement on its agreement with the no-action letter published by EBA on 6 August 2025 regarding ESG disclosure requirements. This letter grants the institutes concerned a delay on the enforcement of the requirement to disclose certain ESG information because of the fundamental revision of the Disclosure ITS in line with Articles 434a and 449a CRR III.

Date of publication: 24/09/2025

(ii) EU

EBA: Launch of 2025 EU-wide transparency exercise

Status: Final

The EBA launched its 2025 EU-wide Transparency Exercise with the aim to enhance transparency and market discipline in the EU financial system. This exercise complements banks' own Pillar 3 disclosures under CRD and provides market participants with consistent and comparable information on the condition of EU banks. The 2025 exercise will disclose data of over 100 major EU banks on their capital positions, financial assets, risk exposure amounts, sovereign exposures and asset quality. The data will cover the period from the third quarter of 2024 to the second quarter of 2025. The results will be published at the beginning of December, together with the EBA's Risk Assessment Report (RAR). As in previous years, the exercise relies exclusively on supervisory reporting data, ensuring no additional reporting burden for banks. Alongside the dataset, the EBA will provide interactive tools that allow users to explore and compare data across time, countries, and individual banks.

Date of publication: 29/09/2025

1.2 RECOVERY AND RESOLUTION

(i) EU

EBA: Final draft ITS amending Commission Implementing Regulation (EU) 2021/622 with regard to uniform reporting templates, instructions and methodology for reporting on the MREL

Status: Final

The EBA published its final report amending the ITS under Commission Implementing Regulation (EU) 2021/622, which governs the reporting of MREL decisions by resolution authorities. The amendments aim to strengthen the EBA's ability to monitor the consistent implementation of MREL across the EU, as required under the BRRD. The revised ITS increase the reporting frequency from annual to biannual, with submissions due from resolution

authorities by 16 September and 18 March, covering MREL applicable as of 30 June and 31 December, respectively. This change addresses the current lag in the EBA's publications and assessments, which previously excluded decisions adopted after 1 May until the following year. The revised ITS also introduce changes to better capture discretionary elements applied by resolution authorities, align reporting with recent legislative updates, including the "Daisy Chain Act" (Directive (EU) 2024/1174), and streamline templates to reduce administrative burden. The proposed amendments to the Annexes of Regulation (EU) 2021/622 are available on the EBA's [webpage](#). As the changes are addressed exclusively to resolution authorities and do not alter institutions' reporting obligations, the EBA did not conduct a public consultation.

The final draft ITS will be submitted to the EC for endorsement, and once adopted, will be published in the OJ. The amended ITS are expected to apply from 31 December 2025.

Date of publication: 12/09/2025

(ii) Eurozone

SRB: Operational Guidance on resolvability testing for banks

Status: Final

The SRB published its Operational Guidance on resolvability testing for banks to enhance crisis readiness. The document is a practical tool for banks to implement the revised EBA Guidelines on resolvability, including expectations on the multi-annual testing programme, testing methods, internal governance, test environments, as well as performing and following up on tests.

Date of publication: 26/09/2025

2. Market regulation/ Conduct rules

2.1 CAPITAL MARKETS UNION

(i) EU

EP: Adoption of resolution on report on SIU reforms

Status: Final

The EP published a press release announcing it has voted to adopt a **report** on facilitating the financing of investments and reforms to boost European competitiveness and creating a CMU. The report considers reforms that will form part of the European Commission's Savings and Investments Union (SIU). It has also published the **text of the resolution** that it has adopted on the report. The report sets out the views of the Committee on Economic and Monetary Affairs on measures intended to mobilise private investment and ease access to finance proposed by the **Draghi report** on the future of European competitiveness, which was published in September 2024. The European Commission subsequently adopted many of the proposals made in the Draghi report in its strategy for the SIU, which was published in March. ECON voted to adopt the report in June.

Date of publication: 10/09/2025

2.2 MIFID/MIFIR

(i) EU

ESMA: Updated instructions for weekly commodity derivative position reporting

Status: Final

ESMA published updated reporting instructions and XML schema (version 1.2.0) for weekly commodity derivatives position reporting under MiFID II. The changes reflect amendments to ITS 4, as outlined in ESMA's final report on proposed amendments to MiFID II technical standards in relation to commodity derivatives. The amendments are in response to changes introduced by the MiFID II review, submitted to the European Commission in December 2024 and currently pending adoption. Beyond the changes directly originating from MiFID II, such as the requirement to publish two weekly reports and the exclusion of (spot) emission allowances from position reporting, the update also introduces harmonisation of reporting units for energy derivatives.

The new schema and instructions will apply from 1 April 2026, after which reporting entities must use version 1.2.0 exclusively.

Date of publication: 25/09/2025

Publication of Delegated Regulations bringing CTPs into scope of ESMA rules for DRSP fines and fees

Status: Published in the OJ

Date of entry into force: 22/09/2025

Delegated Regulation (EU) 2025/1768 and Delegated Regulation (EU) 2025/884 were published in the OJ, extending the scope of rules on fines and fees for data reporting service providers (DRSPs) to include consolidated tape providers (CTPs). Previously, these rules applied only to two types of DRSPs: approved publication arrangements and approved reporting mechanisms. The amendments align with the EU's review of the Markets in Financial Instruments Directive and Regulation, which aims to improve market data transparency and support the emergence of CTPs in the EU.

- ♦ **Delegated Regulation (EU) 2025/1768** amends Delegated Regulation (EU) 2022/803 regarding the ESMA's procedures for imposing fines or periodic penalty payments on CTPs.
- ♦ **Delegated Regulation (EU) 2025/884** amends Delegated Regulation (EU) 2022/930 regarding ESMA's supervisory fees for CTPs. The regulation introduces a one-off authorisation fee of EUR100,000 per CTP, reflecting the complexity of the authorisation process. This is reduced to EUR50,000 for authorised CTPs seeking approval to cover a different asset class. Annual supervisory fees will follow the same methodology as for other data reporting service providers (DRSPs). ESMA will monitor CTP revenues to ensure fees remain proportionate.

Date of publication: 02/09/2025

2.3 PROSPECTUS REGULATION

(i) Germany

BaFin: Guidance Notice on the phrase „public offer“ pursuant to the Prospectus Regulation (*Merkblatt zum Begriff des öffentlichen Angebots gemäß Prospektverordnung*)

Status: Final

BaFin published a Guidance Notice on the phrase „public offer“ pursuant to Article 2 lit. d of the EU Prospectus Regulation 2017/1129. The new Guidance Notice explains, among other things: (i) who the provider and who the public addressee is; (ii) under what conditions a notification with sufficient information is provided in accordance with Regulation (EU) 2019/980; and (iii) when the public offer begins and when it ends.

The Guidance Notice contains information on aspects relevant to practice, such as the overall view of an offer transaction as a related event. This means that the constituent elements of the public offer do not all have to be present at the same time. It also contains information on public offers on the occasion of collective decisions. This concerns the question of the delimitation under which conditions, for example in the case of a corporate body decision, a public offer is given. It is aimed at securities providers.

Date of publication: 11/09/2025

3. Market infrastructure

3.1 CUSTODY RULES

(i) EU

EP: Adoption of position for shortening the settlement cycle to T+1 under CSDR

Status: Adopted by the EP

The EP adopted its position at first reading on the proposed Regulation to amend the CSDR, which introduces a shorter settlement cycle for transferable securities transactions within the EU. The proposed Regulation will reduce the settlement period from two business days after trading takes place (T+2) to one business day (T+1), with the aim of promoting settlement efficiency, improving the liquidity of capital markets and eliminating costs linked to the misalignment of settlement cycles between the EU and other jurisdictions. A provisional agreement on the proposal was reached in June between the Council of the EU and the European Parliament, under which they agreed certain securities financing transactions (SFTs) will be exempt from the T+1 settlement cycle requirement. The exemption will only apply to SFTs that are formally documented as single transactions comprising two linked operations, in order to prevent the potential circumvention of the T+1 rule.

The next step is for the Council of the EU to formally adopt the agreed text. Once adopted, the Regulation will be published in the OJ and enter into force on the twentieth day following its publication. It will apply from 11 October 2027.

Date of publication: 10/09/2025

3.2 EMIR

(i) EU

Publication of Commission Delegated Regulation (EU) 2025/1493 amending EMIR framework for CCP colleges

Status: Published in the OJ

Date of entry into force: 15/10/2025

Commission Delegated Regulation (EU) 2025/1493 amending Commission Delegated Regulation (EU) No 876/2013 supplementing EMIR as regards changes to the functioning and management of colleges for central counterparties (CCPs) was published in the OJ. The amendments are limited in scope and aim to align the existing regulatory framework with recent changes made by Regulation 2024/2987 – part of the broader EMIR 3 reform package.

Date of publication: 25/09/2025

4. Anti-money laundering

(i) Germany

BReg: Government draft on the Law to Promote Private Investment and the Financial Centre (*Regierungsentwurf des Standortfördergesetzes – StoFöG*)

Status: Draft

The Federal Government published a draft bill on the Law to Promote Private Investment and the Financial Centre (*Standortförderungsgesetz – StoFöG*). 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: 10/09/2025

Publication of Regulation on determining the required information and form of reporting pursuant to Section 45(5)(1) of the German Money Laundering Act (*Veröffentlichung der GwG-Meldeverordnung – GwGMeldV*)

Status: Published in the Federal Gazette

Date of entry into force: 01/03/2026

The Regulation on determining the required information and form of reporting pursuant to Section 45(5)(1) of the German Money Laundering Act (*Geldwäschegesetz – GwG*; *GwG-Meldeverordnung – GwGMeldV*) was published in the Federal Gazette. The Regulation stipulates that suspicious transaction reports must be submitted electronically. In addition to specifying this transmission format, the Regulation also establishes the minimum content standards to fulfill the reporting obligation under Sections 43 and 44 GwG. The Regulation differentiates between specific types of suspicious transaction reports and the elements of the offense that arise from the reporting obligation under the GwG.

Date of publication: 01/09/2025

(ii) International

FATF: Launch of a handbook regarding international co-operation on money laundering, detection, investigation and prosecution

Status: Final

The FATF, together with the Egmont Group, INTERPOL and the United Nations Office on Drugs and Crime (UNODC), launched a practical Handbook on International Cooperation against Money Laundering, providing essential tools to help countries speed up investigations and bring more criminals to justice. The handbook

responds to the globalisation of financial systems and rapid technological advancements, which demand faster intelligence and action to keep pace with criminals. It therefore promotes informal cooperation, such as secure communication channels, rapid response mechanisms and joint analysis, which can provide faster, more flexible, and targeted investigations, complementing formal, usually legal processes, which are often slower and procedurally complex.

Date of publication: 05/09/2025



5. Payments

5.1 PAYMENT SERVICES/E-MONEY

(i) EU

EBA: Three Q&A in relation to PSD2

Status: Final

The EBA published three single rulebook Q&As relating to Commission Delegated Regulation (EU) 2018/389 supplementing the PSD2, specifying regulatory technical standards on strong customer authentication (SCA) and secure communication. The Q&As cover: (i) whether payment initiation service providers can access payment status information without encountering obstacles (2024_7261); (ii) the manner in which corporate clients of account servicing payment service providers can use proxy matrices to invoke the services of third party providers (2024_7265); and (iii) whether an application programming interface key can constitute a knowledge element of SCA (2024_7286).

Date of publication: 29/08/2025

5.2 PAYMENT ACCOUNTS

(i) EU

EC: Second report on assembling payment account data under PAD

Status: Final

The EC published its second report mandated under Article 27 of the Payments Account Directive 2014/92/EU (PAD), on assembling specific payment related data from Member States on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (PABFs). The EC highlights that the differences in data collection methods across Member States and that existing data gaps make it difficult to draw firm conclusions about the extent of PAD's benefits to European consumers, though the report offers some tentative findings. The report covers information relating to 2022 and 2023, as well as complete data for 2021 that was not available at the time of the first report. The report confirms general compliance by payment service providers with Articles 4, 5 and 6, which require the provision of standardised fee information, annual fee statements and consistent terminology in consumer communications. Most Member States also have operational comparison websites as required under Article 7, with websites updated regularly and some offering information through various communication channels and public campaigns, helping to raise consumer awareness. However, the EC suggests they should be assessed regularly to ensure information is more relevant and easily accessible for consumers. Regarding switching services, the EC finds over 17.6 million accounts have been switched since 2016. However, payment account switching is being used more in some Member States than others. There are also significant differences across Member States in the number of switching applications that are refused. With regards to PABFs, nearly two million were opened in 2023, although the number of new account openings differs significantly across Member States. The report states this may be partly due to differences in how banks offer these features to customers. Rejection rates also vary, often linked to anti-money laundering concerns or customers' past negative experiences with banks, among other reasons. The EC will follow up the findings of the report, including the low uptake of the switching service or high rejection rates for PABFs in some Member States,

discuss them with Member States and explore whether further actions could be beneficial, including at Member State level. The EC will also continue to work with Member States to ensure more robust and comparable data going forward.

Date of publication: 11/09/2025

5.3 PAYMENT AND SETTLEMENT SYSTEMS

(i) International

BCBS: Launch of Project Keystone for ISO 20022 payments

Status: Final

The BIS Innovation Hub London Centre, in collaboration with the Bank of England, **announced the launch of Project Keystone**, an initiative exploring how technology can enhance the analytical use of ISO 20022 data. 93% of payment system operators have either implemented or are preparing to implement ISO 20022. Project Keystone aims to support this transition by offering a standardised data analytics platform focused on ISO 20022 data. The tool comprises two modules: one for managing the complex data structure and storage needs of ISO 20022, and another for conducting data-driven analysis. Keystone is intended to be an off-the-shelf component for payment system operators to integrate into their own systems, enabling enhanced use of enriched payments data. Central banks and other regulatory bodies could leverage this to gain deeper insights into real-time economic activity, monitor system-wide liquidity and enhance participant confidence, including ensuring adherence to the ISO 20022 standard itself.

Date of publication: 04/09/2025

6. Banking union

6.1 SINGLE SUPERVISORY MECHANISM (SSM)

(i) EU

ECB: Adoption of Regulation to amend reporting of supervisory financial information under SSM

Status: Final

The ECB adopted Regulation (EU) (ECB/2025/31) (Amending Regulation) amending [Regulation \(EU\) 2015/534](#) on the reporting of supervisory financial information (the Financial Reporting Regulation) under the SSM. For more information, please see section 1.1c) above.

Date of publication: 09/09/2025

7. Institutional supervisory framework

(i) EU

ESAs: Joint committee report on risks and vulnerabilities in the EU financial sector

Status: Final

The ESAs published the Joint Committee's Autumn 2025 report, highlighting global risks to the EU financial system and recommending policy actions amid instability. The risks, attributed to ongoing geopolitical tensions including the U.S.'s imposition of widespread tariffs and continued conflicts in Ukraine and the Middle East, are said to have led to downward revisions in global and EU growth forecasts and divergence in monetary policy between the EU and U.S. In light of these developments, the ESAs advise national competent authorities, financial institutions and market participants to:

- ♦ continue integrating geopolitical risks into daily operations and risk assessments, ensuring continued access to market infrastructures from non-EU service providers to prevent disruption and maintain investor confidence
- ♦ plan for different scenarios amid global uncertainty, by using robust risk management, practices and forward-looking provisioning to address sudden short- and medium-term challenges
- ♦ remain vigilant against cyber risks, particularly those arising from third-party IT dependencies— institutions should thoroughly implement the Digital Operational Resilience Act and leverage the use of technologies, such as AI to enhance cyber resilience
- ♦ monitor the growing links between cryptoassets and traditional finance, as new exposures and business lines emerge; and
- ♦ support the advancement of the EU's Savings and Investments Union and Banking Union to boost competitiveness and simplify regulation, while monitoring the expanding non-bank financial sector.

Date of publication: 19/09/2025

Publication of Better Data Sharing Regulation to streamline EU financial data reporting

Status: Published in the OJ

Date of application: 18/09/2025

The Better Data Sharing Regulation (Position (EU) No 5/2025), formally adopted by the Council of the EU on 8 July, was published in the OJ, together with the [Council's Statement of Reasons](#). For more information, please see section 1.1c) above.

Date of publication: 29/08/2025

8. Investment funds

8.1 PRODUCT REGULATION

- a) AIF
- (i) Germany

BaFin: Consultation 17/2025 on amendments and clarifications of the „Guidance Notice on approval process for AIF management companies pursuant to Section 22 Capital Investment Code“ (*Konsultation 17/2025 zu Änderungen und Konkretisierungen des „Merkblattes zum Erlaubnisverfahren für eine AIF-Kapitalverwaltungsgesellschaft nach § 22 KAGB“*)

Status: Consultation

Deadline for the submission of comments: 30/09/2025

BaFin launched a consultation on its updated Guidance Notice on approval process for AIF management companies pursuant to Section 22 of the Capital Investment Code (*Kapitalanlagegesetzbuch* – KAGB). These companies are capital management companies pursuant to Section 17 KAGB that manage or intend to manage at least one AIF.

Date of publication: 09/09/2025

8.2 PRUDENTIAL REGULATION

- a) Compliance
- (i) EU

ESRB: EU Non-bank Financial Intermediation Risk Monitor 2025

Status: Final

The ESRB published its report on the Non-Bank Financial Intermediation Risk Monitor for 2025. This report considers the main risks and vulnerabilities associated with investment funds and other financial institutions (OFIs), as well as crypto-assets and associated intermediaries, in 2024. It presents an activities-based view of financial market segments commonly associated with non-bank activities. The report covers developments, risks and vulnerabilities associated with financial intermediation outside the banking system, focusing on those related to liquidity and maturity transformation, use of leverage and interconnectedness. It includes information on entities engaged in asset management activities, in particular investment funds and OFIs.

Date of publication: 01/09/2025

9. Special rules for real estate financing and covered bonds

9.1 COVERED BONDS

(i) EU

EBA: Advice on the review of the EU covered bond framework

Status: Final

The EBA published its advice and recommendations to the EC, in response to the July 2023 Call for Advice (CfA) on the review and performance of the EU covered bond framework. The framework comprises the Covered Bond Directive (Directive 2019/2162) and Regulation 2019/2160 on exposures in the form of covered bonds amending the Capital Requirements Regulation. The EBA submitted its advice alongside a [letter to John Berrigan](#), Director-General at DG FISMA. The EBA's recommendations are intended to: (i) harmonise further the EU covered bond framework; (ii) strengthen safeguards and disclosure in all national frameworks; (iii) simplify the framework by bringing the Covered Bond Directive into closer alignment with the Capital Requirements Regulation; and (iv) develop and expand the framework including with the introduction of a third-country equivalence regime.

Date of publication: 24/09/2025

10. Special topics

10.1 FINTECH/DIGITAL FINANCE

(i) Germany

BaFin: Consultation 18/2025 on the Regulation regarding notifications and the submission of documents pursuant to the Crypto Markets Supervisory Regulation (*Konsultation 18/2025 zur Verordnung über die Anzeigen und die Vorlage von Unterlagen nach dem Kryptomärkteaufsichtsgesetz*)

Status: Consultation

Deadline for the submission of comments: 29/10/2025

BaFin launched a consultation on the Regulation regarding notifications and the submission of documents pursuant to the Crypto Market Supervisory Regulation. It specifies how institutions must submit the legally required notifications. To simplify the notifications, BaFin will provide standardised forms in the future. The Regulation under consultation is based on the existing Regulation on the notification and submission of documents under the Banking and Payment Services Supervisory Acts. The use of predefined forms and identical rules is also intended to increase the efficiency of the supervisory assessment.

Date of publication: 29/09/2025

(ii) EU

Publication of two EU Regulations on ART authorisation applications

Status: Published in the OJ

Date of entry into force: 05/10/2025

Date of application: 05/10/2025

Two Commission Regulations supplementing the Markets in Crypto-Assets Regulation were published in the OJ, namely the: (i) Commission Delegated Regulation (EU) 2025/1125, which sets out **RTS** specifying the information in an application for authorisation to offer ARTs to the public or to seek their admission to trading; and (ii) Commission Implementing Regulation (EU) 2025/1126, which lays down ITS establishing standard forms, templates and procedures for the information to be included in such applications.

- ♦ Commission Delegated Regulation (EU) 2025/1125 supplementing MiCAR with regard to RTS specifying the information in an application for authorisation to offer ARTs to the public or to seek their admission to trading
- ♦ Commission Implementing Regulation (EU) 2025/1126 laying down ITS for the application of MiCAR with regard to the establishment of standard forms, templates and procedures for the information to be included in the application for authorisation to offer asset-referenced tokens to the public and to seek their admission to trading

Date of publication: 15/09/2025

Wolfsberg Group: Guidance on the provision of banking services to fiat-backed stablecoin issuers

Status: Final

The Wolfsberg Group, an association of 12 global banks which aims to develop frameworks and guidance for the management of financial crime risks, published comprehensive guidance on managing financial crime risks for financial institutions (FIs) that provide banking services to fiat-backed stablecoin issuers. While recognising the legitimate benefits of stablecoins, such as pseudonymity, rapid settlement and global reach, the Group also highlights that these same benefits introduce unique risks. The guidance therefore introduces a risk-based framework for assessing and monitoring relationships with issuers operating in regulated jurisdictions. It notes that although existing financial crime risk management principles remain applicable, existing controls may require adapting to address the specific risks posed by stablecoin issuers. The guidance introduces the relevant terminology used by the Group on stablecoins and describes the typical fiat-based services an FI may offer to a stablecoin issuer, highlighting how financial crime-related controls may require adjustment. It also explains how, under a risk-based approach, an FI may evaluate the issuer's compliance obligations on the blockchain. Ultimately, the Group's view is that the approach to banking a stablecoin issuer mirrors that of any customer relationship: firstly to identify and understand the risks associated with both the customer and the nature of the relationship, as well as evaluate how the issuer manages those risks; secondly to determine whether the issuer's risk profile and mitigation strategies align with its own risk appetite; and finally, the FI should implement a proportionate risk management framework that enables ongoing monitoring of the issuer's behaviour and supports timely corrective action when necessary.

Date of publication: 08/09/2025

EC: Draft Implementing Regulation on list of reference standards for the requirements on qualified electronic ledgers

Status: Consultation

Deadline for the submission of comments: 03/10/2025

The EC launched a request for feedback on its draft Implementing Regulation on list of reference standards for the requirements on qualified electronic ledgers. These reference standards and specifications aim to ensure that data recorded in an electronic ledger is chronologically ordered, while remaining immutable, consistent and reliable.

Date of publication: 05/09/2025

10.2 SUSTAINABLE FINANCE

(i) Germany

BaFin: Approval of EBA's no-action letter on the application of ESG disclosure requirements (*Zustimmung zum No-Action-Letter der EBA zur Anwendung der ESG-Offenlegungspflicht*)

Status: Final

BaFin published a statement on its agreement with the no-action letter published by EBA on 6 August 2025 regarding ESG disclosure requirements. For more information, please see section 1.1d) above.

Date of publication: 24/09/2025

Bundesregierung: Government draft on the Law implementing the CSRD regarding sustainability reporting by companies as amended by the Stop-the-Clock Directive (*Regierungsentwurf des*

Gesetzes zur Umsetzung der CSRD hinsichtlich der Nachhaltigkeitsberichterstattung von Unternehmen in der durch die Stop-the-Clock-Richtlinie geänderten Fassung)

Status: Draft

The German Federal Government (*Bundesregierung*) published its draft (*Regierungsentwurf*) implementing the CSRD regarding sustainability reporting by companies as amended by the Stop-the-Clock Directive (Directive (EU) 2025/794). The deadline for transposition of the CSRD expired on 6 July 2024. The draft law is intended to ensure that Germany fulfils its obligation under EU law to introduce sustainability reporting by companies as quickly as possible. An earlier draft implementing law, which had been introduced into the parliamentary procedure during the 20th legislative period, has lapsed according to the principle of discontinuity and must therefore be reintroduced. The requirements of the CSRD will be implemented in the new implementation draft according to the principle of 1:1 and the existing legal framework will be adapted accordingly.

Date of publication: 03/09/2025

(ii) EU

EC: Commission Delegated Regulation (EU) .../... supplementing the EUGB with regard to RTS specifying the conditions for the registration of external reviewers, the criteria for assessing the sound and prudent management of external reviewers, the appropriateness of the knowledge, experience and training of the external reviewers' employees, and the conditions under which external reviewers can outsource their assessment activities

Status: Adopted by the EC

The EC adopted a Delegated Regulation supplementing the EU Green Bonds Regulation (EUGB) regarding RTS on the external review regime. From 21 June 2026, any entity wishing to provide external review services under the EUGB must be registered with and supervised by the ESMA, which is also tasked with developing the relevant RTS/ITS specifying certain provisions for external reviewers. This Delegated Regulation sets out RTS relating to: (i) the conditions for the registration of external reviewers; (ii) the criteria for assessing the sound and prudent management of external reviewers; (iii) the knowledge, experience and training of the external reviewers' employees; and (iv) the conditions under which external reviewers can outsource their assessment activities.

The Delegated Regulation will enter into force once it is published in the OJ.

Date of publication: 12/09/2025

ESAs: Fourth annual report on PAI disclosures under SFDR

Status: Final

The ESAs published their fourth annual report on Principal Adverse Impact disclosures (PAI) under the SFDR. The report refers to PAI disclosures published by 30 June 2024 for the reference period from 1 January to 31 December 2023. The analysis included both mandatory and voluntary disclosures by financial market participants (FMPs). Building on the progress identified in previous reports, the report notes an effort from FMPs to publish more complete information and in full compliance with the SFDR's disclosure requirements, with a general improvement in the quality of information provided. The findings confirm the trends of previous years, such as that the FMPs that are part of larger multinational groups disclose the information on sustainability in a more detailed and appropriate manner, and that smaller entities mix information on ESG / general marketing information with SFDR disclosures, for example a lot of text, but no clear information whether principal adverse impacts are considered or not. The ESAs also welcome the feedback received from NCAs that following the previous reports published, several FMPs have taken onboard the highlighted good practices and improved their own disclosures.

The annual report also includes supervisory recommendations addressed separately to both the NCAs and to the EC. Among the recommendations to the EC is one to reduce the frequency of the reports to every two or three years, allowing both the ESAs and NCAs to focus on delivering more meaningful analysis of PAI disclosures. An annex to the report includes a table with examples of "good" and "below average" practices identified by the ESAs, based on both NCA observations and the ESAs' own desk-based analysis.

Date of publication: 09/09/2025



11. German Omnibus Acts (*Artikelgesetze*)

(i) Germany

BReg: Government draft on the Law to Promote Private Investment and the Financial Centre (*Regierungsentwurf des Standortfördergesetzes – StoFöG*)

Status: Draft

The Federal Government published a draft bill on the Law to Promote Private Investment and the Financial Centre (*Standortförderungsgesetz – StoFöG*). For more information, please see section 4 above.

Date of publication: 10/09/2025

Bundesregierung: Government draft on the Law implementing the CSRD regarding sustainability reporting by companies as amended by the Stop-the-Clock Directive (*Regierungsentwurf des Gesetzes zur Umsetzung der CSRD hinsichtlich der Nachhaltigkeitsberichterstattung von Unternehmen in der durch die Stop-the-Clock-Richtlinie geänderten Fassung*)

Status: Draft

The German Federal Government (*Bundesregierung*) published its draft (*Regierungsentwurf*) implementing the CSRD regarding sustainability reporting by companies as amended by the Stop-the-Clock Directive (Directive (EU) 2025/794). The deadline for transposition of the CSRD expired on 6 July 2024. The draft law is intended to ensure that Germany fulfils its obligation under EU law to introduce sustainability reporting by companies as quickly as possible. An earlier draft implementing law, which had been introduced into the parliamentary procedure during the 20th legislative period, has lapsed according to the principle of discontinuity and must therefore be reintroduced. The requirements of the CSRD will be implemented in the new implementation draft according to the principle of 1:1 and the existing legal framework will be adapted accordingly.

Date of publication: 03/09/2025

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