

Regulatory Round-Up for Fund Managers

Q3 2025

All information below is as of August 8, 2025

T+1 Related Developments

Headline: Move to T+1 settlement.

Who is impacted? All firms.

Legislation	Details
EU T+1 MEDIUM IMPACT	<p>Following market participants in Canada and the US actioning the migration to a T+1 settlement cycle on May 28, 2024, the discussions in Europe on this topic continue.</p> <p>On July 2, 2025, the EU T+1 Industry Committee (the Industry Committee) held a summit, presenting its High-level Roadmap (Roadmap) for transitioning to a T+1 securities settlement cycle, targeted for implementation by October 11, 2027.</p> <p>The Roadmap is designed to serve as a practical, expert-led framework to assist market participants in identifying and addressing the most critical operational considerations and to support firms' preparations and budget allocations. The Roadmap sets out non-legally binding recommendations across nine areas: trading, matching and confirmations, clearing, settlement, asset management, FX, corporate events, securities financing transactions (SFTs), as well as legal and regulatory issues.</p> <p>While there is no formal public consultation on the Roadmap or report, there is a feedback phase to gather additional input from stakeholders that may support the Industry Committee's future work. The deadline for comments closed August 31, 2025. After the consultation period, firms are encouraged to begin preparing their transition strategies and allocating resources for system upgrades and testing throughout the remainder of the year.</p> <p>European Securities and Markets Authority (ESMA) has published a T+1 website, available here.</p> <p>See the Q1 and Q2 2025 Regulatory Updates for developments in January 2025 and the first half of February 2025.</p> <p>See also the section relating below "Central Securities Depositories Regulation (CSDR)" for details of the proposed amendment to CSDR to accommodate the move to T+1.</p>
UK T+1 MEDIUM IMPACT	<p>HM Treasury established the Accelerated Settlement Taskforce (AST) in December 2022 to explore the case for T+1 in the UK. On March 28, 2024, HM Treasury published the AST's report that recommended the UK should commit to moving to a T+1 standard settlement cycle at the latest by the end of 2027. The government subsequently published its own response and accepted all AST's recommendations.</p> <p>The Q1 2025 Regulatory Update discusses the AST Quarterly Review and the Accelerated Settlement Technical Group (ASTG) implementation plan for the first</p>

Legislation	Details
UK T+1 MEDIUM IMPACT	<p>day of trading for T+1 settlement. The ASTG recommends that the first day of UK cash securities trading for settlement on a T+1 cycle should be October 11, 2027 – aligning with the EU.</p> <p>In a statement the government, Financial Conduct Authority (FCA) and the Bank of England (BoE) confirmed their support the industry recommendation to move to T+1 settlement in UK markets by October 11, 2027 and called on industry to engage with the recommendations and start their planning as soon as possible.</p> <p>The UK AST now has a dedicated website and the FCA has published an About T+1 Settlement webpage that, amongst other things, confirms the October 11, 2027 move date and details “What firms should do” in the run up to that date.</p>

US Related Developments

Headline: Various US Developments of note.

Who is impacted? All firms doing business in the US, particularly in relation to private funds.

SEC Withdraws Significant Number of Rule Proposals

On June 12, 2025, the SEC formally withdrew 14 notices of proposed rulemaking, including several significant proposals relating to investment advisers that had been issued between March 2022 and November 2023 under Chair Gensler’s leadership. The SEC indicated that it does not intend to issue final rules with respect to these proposals. If the SEC decides to pursue future regulatory action in any of these areas, it will issue a new proposed rule. The withdrawals had been widely anticipated.

The withdrawn rule proposals include the following:

- Outsourcing by Investment Advisers.
- Enhanced Disclosures by Certain Investment Advisers and Investment Companies About Environmental, Social, and Governance Investment Practices.
- Cybersecurity Risk Management for Investment Advisers, Registered Investment Companies, and Business Development Companies.
- Safeguarding Advisory Client Assets.
- Conflicts of Interest Associated with the Use of Predictive Data Analytics by Broker-Dealers and Investment Advisers.

Names Rule Compliance Date Extension

On March 14, 2025, the SEC extended the “Names Rule” compliance date to June 11, 2026 for larger fund groups and December 11, 2026 for smaller fund groups. See [here](#) and the related press release [here](#).

- Larger fund groups are those with net assets of \$1 billion or more as of the end of their most recent fiscal year.
- Smaller fund groups are those with net assets of less than \$1 billion as of the end of their most recent fiscal year.

Generally, funds are required to use a derivative instrument’s notional amount to determine the fund’s compliance with the 80% policy.

Legislation	Details
Private Fund Reporting by Registered Advisers	<p>Registered investment advisers that manage “Private Funds” above certain RAUM thresholds must file Form PF.</p> <p>On June 11, 2025, the SEC and CFTC voted to extend the compliance date for the most recent amendments to Form PF from June 12, 2025 to October 1, 2025. Earlier this year, the SEC and CFTC extended the initial compliance date from March 12, 2025, to June 12, 2025 (see here). Subsequently, on April 4, 2025, the SEC staff released a substantial update to its Form PF FAQs.</p> <p>The amendments and subsequent updates have resulted in significant changes to the information that private fund managers need to collect to respond to the disclosures around data on fund assets, financing, investor concentration and performance required by Form PF.</p>

EU Developments

Headline: Various EU Developments of note.

Who is impacted? All asset management and related firms doing business in the EU.

ESMA publishes call for evidence on streamlining transaction reporting

MEDIUM
IMPACT

On June 23, 2025, ESMA [published](#) a Call for Evidence (**CfE**) on simplifying transaction reporting requirements across EU financial markets. The CfE is part of the EU Commission’s program of burden reduction and aligns with the EU Commission’s “Simpler and Faster Europe” Communication (available [here](#)) that set the goal of reducing reporting burden by 25% for all companies.

The EU Commission mandated ESMA to assess the feasibility of (i) more integration in transaction reporting and streamlining of data flows to reduce duplicative or inconsistent requirements for transaction data reporting, in particular between MiFIR, EMIR and SFTR frameworks, by March 2028 and (ii) improving data standardization and the efficient sharing and use of data reported within any Union reporting framework by any relevant authority at Union or national level. The CfE seeks stakeholder views on how to achieve these goals without compromising supervisory effectiveness. ESMA has identified several longstanding challenges for firms and is seeking feedback on two potential reform options to address the issues:

- Option 1: removal of duplication.
- Option 2: a “report once” principle.

Stakeholders are invited to respond by September 19, 2025, and a final report is expected in early 2026.

EU “Savings and Investments Union”

On March 19, 2025, the EU Commission [published](#) a communication on its strategy on the Savings and Investments Union (**SIU**) titled “Savings and Investments Union: A Strategy to Foster Citizens’ Wealth and Economic Competitiveness in the EU.”

The development of the SIU is one of the core objectives of the 2024-29 Commission. The EU Commission states that completing the SIU is critical to achieve strategic priorities around security and defence, sustainable prosperity and economic competitiveness.

Legislation	Details
EU “Savings and Investments Union”	<p>Further details on the SIU are available on the EU Commission’s webpage.</p> <p>On April 15, 2025, the EU Commission published a targeted consultation on integration of EU capital markets under the SIU strategy. The deadline for responses was June 10, 2025. The EU Commission noted that the consultation will help shape the measures to be presented in a comprehensive package in Q4 2025.</p>
ESMA’s Overview of planned consultation papers 2025	<p>On March 14, 2025, ESMA published a table providing an overview of the consultation papers it plans to publish in 2025. As well as consultations papers that it has already published in Q1 2025, ESMA lists planned consultations relating to a range of legislation and topics including.</p>
ESMA notifies EU Commission of delay of certain deliverables	<p>ESMA published a letter (dated March 3, 2025) addressed to the EU Commission on the prioritization of ESMA’s 2025 deliverables. ESMA’s letter sets out specific items which ESMA intends to delay or which have been cancelled.</p> <p>See Q2 Regulatory Update for details.</p>

Sustainable Finance

<p>EU Omnibus Simplification Package</p> <p>MEDIUM IMPACT</p>	<p>Headline: Amendments to certain Sustainability Related Legislation.</p> <p>Who is impacted? Financial Market Participants and entities in scope of the CSRD and CSDDD.</p> <p>The Omnibus Simplification Package was initially referenced during a press conference on November 2024, where the President of the EU Commission, explained how omnibus legislation that envelopes the Corporate Sustainability Due Diligence Directive (CSDDD), Corporate Sustainability Reporting Directive (CSRD) and Taxonomy Regulation would “reduce bureaucracy”. The Omnibus Package was published on February 26, 2025 and is available here.</p> <p>In the Omnibus Package, the EU Commission proposes to: (i) decrease the number of entities in scope for CSRD reporting; (ii) reduce the number of mandatory data points required to be disclosed under the European Sustainability Reporting Standards (ESRS); and (iii) postpone reporting requirements for certain entities due to begin CSRD reporting in respect of their 2025 and 2026 financial years. The Omnibus Simplification Package also proposes amendments to the Corporate Sustainability Due Diligence Directive, aiming to simplify its reach.</p>
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Legislation	Details
<p>EU Omnibus Simplification Package</p> <p>MEDIUM IMPACT</p>	<p>On March 20, 2025, EU legislators were urged to take work forward on the proposals relating to CSRD and CSDDD to postpone the reporting requirements as a matter of priority. The proposals were indeed expedited and on April 16, 2025, the Directive (so called “Stop the Clock” Directive) delaying the dates on which certain corporate sustainability reporting and due diligence requirements would apply under CSRD and CSDDD was published in the Official Journal of the EU (OJ). Member States have until December 31, 2025, to transpose this Directive into their national legislation.</p> <p>The impact of the Directive is that timelines have changed so that:</p> <ul style="list-style-type: none"> ◦ The application of sustainability reporting requirements under CSRD is postponed for two years for the next two categories of in scope entities. (The first category of in scope entities must still prepare a CSRD report in 2025 in respect of its 2024 financial year). ◦ The transposition deadline for the CSDDD is extended from July 26, 2026 to July 26, 2027. ◦ The first phase of the CSDDD’s application to in-scope companies is extended by one year to July 26, 2028. <p>Regarding the broader amendments to CSRD and CSDDD, on June 23 2025, the Council of the EU announced it had adopted its negotiating position on proposed changes to simplifying corporate sustainability reporting and due diligence requirements.</p> <p>The Council and European Parliament will enter into trilogue discussions with a view to reaching an agreement once the European Parliament reaches its own negotiating position.</p>
<p>EU Commission adopts “quick fix” for companies already conducting corporate sustainability reporting</p> <p>MEDIUM IMPACT</p>	<p>Headline: Amendments to certain Sustainability Related Legislation. Who is impacted? Financial Market Participants and entities in scope of the CSRD and CSDDD.</p> <p>The EU Commission has adopted “quick fix” amendments to the Delegated Regulation amending Delegated Regulation (EU) 2023/2772 which sets out the European Sustainability Reporting Standards (ESRS).</p> <p>The ESRS specify the information which companies must disclose against pursuant to their sustainability reporting obligations under CSRD. Preparations are underway for a broader revision of the ESRS framework as part of the sustainability omnibus package of reforms (which includes sweeping changes to the CSRD).</p> <p>The proposed ‘quick fix’ amendments are designed to reduce the reporting burden on companies already reporting pursuant to the CSRD for the 2024 financial year (so called ‘wave one’ companies). Pursuant to the ‘Stop the Clock’ Directive adopted as part of the</p>

Legislation	Details
<p>EU Commission adopts “quick fix” for companies already conducting corporate sustainability reporting</p> <p>MEDIUM IMPACT</p>	<p>sustainability omnibus package of February 2025 (discussed above under the heading “EU Omnibus Simplification Package”), wave two and three companies have seen their reporting obligations delayed by two years.</p> <p>Wave one companies were not captured by this change, hence this proposal. This means wave one companies will not have to report additional information compared to financial year 2024. Moreover, for financial years 2025 and 2026, wave one companies with more than 750 employees will benefit from most of the same phase-in provisions that currently apply to companies with up to 750 employees.</p> <p>The related documents are:</p> <ul style="list-style-type: none"> ◦ Delegated act ◦ Annex to the delegated act
<p>ESMA thematic note on clear, fair and not misleading sustainability-related claims</p> <p>LOW IMPACT</p>	<p>Headline: ESMA note to assist firms when making sustainability claims to ensure that they are clear, fair and not misleading.</p> <p>Who is impacted? EU Market Participants making sustainability claims.</p> <p>On July 1, 2025, ESMA published a thematic note to assist firms when making sustainability claims to ensure that they are clear, fair and not misleading. The aim of the thematic note is to provide market participants with information and build on observed market practices. The note focuses on ESG credentials and outlines four guiding principles on making sustainability claims, namely that those sustainability claims are: accurate; accessible; substantiated; and up to date.</p>
<p>EU Commission’s call for evidence on SFDR reporting and review of SFDR</p> <p>LOW IMPACT</p>	<p>Headline: Proposals to amend SFDR.</p> <p>Who is impacted? Asset managers and other financial market participants in scope of SFDR.</p> <p>On May 2, 2025, the EU Commission published a Call for Evidence to help form an impact assessment on a revision of the SFDR. The object of the current review is “to improve the functioning of the SFDR. The focus will be on addressing undue burdens and simplifying and streamlining requirements. This focus includes reducing the burden of ESG reporting for financial market participants to focus instead on the information that is most meaningful for investors.”</p> <p>The review of SFDR aims to:</p> <ul style="list-style-type: none"> ◦ simplify key concepts; ◦ streamline and reduce disclosure requirements focusing on the most essential information for investors; and ◦ explore the case for categorising financial products that make sustainability-related claims.

Legislation	Details
EU Commission's call for evidence on SFDR reporting and review of SFDR LOW IMPACT	<p>In terms of timing, the Call for Evidence closed on May 30, 2025 with a view to incorporating the feedback into the EU Commission's SFDR revision work plan which is currently targeted for Q4 2025. Revision of SFDR is expected to take the form of a legislative proposal.</p> <p>In September 2023 the EU Commission published a targeted consultation and general consultation are available here. The consultations closed on December 15, 2023 and a summary of responses on the response to the consultations was published on May 3, 2024. The EU Commission was keen to emphasise that the Summary Report "cannot in any circumstances be regarded as the official position of the Commission or its services."</p>
Revisions to SFDR Regulatory Technical Standards (RTS) MEDIUM IMPACT	<p>Headline: Updates to SFDR RTS. Who is impacted? Financial Market Participants and entities in scope of SFDR.</p> <p>On December 4, 2023, the ESAs published a final report on the draft regulatory technical standards (RTS) on the review of principal adverse impacts (PAI) and financial product disclosures in Commission Delegated Regulation (EU) 2022/1288, which supplements the SFDR.</p> <p>At the time of writing the RTS have not been endorsed by the EU Commission, nor is there any indication when they will be.</p>
Consolidated Q&A SFDR LOW IMPACT	<p>On August 4, 2025, ESMA published consolidated questions and answers (Q&A) on SFDR and the SFDR RTS (Commission Delegated Regulation (EU) 2022/1288).</p>
UK Transition Plan consultation LOW / MEDIUM IMPACT	<p>Headline: UK proposals for transition plan disclosure requirements. Who is impacted? Potentially, all UK-regulated financial institutions (including banks, asset managers, pension funds and insurers) and FTSE 100 companies.</p> <p>On June 25, 2025 the Government published a consultation seeking views on implementation routes for climate transition plan requirements for financial institutions (including asset managers) and FTSE 100 companies.</p> <p>Transition planning is described in the consultation as "a process that entities undertake to define a strategic roadmap for their transition towards net zero. The roadmap they create outlines how an organisation intends to adapt and transform its operations, strategies, and business models to align with sustainability goals. It also details the targets the organisation has developed, how it intends to realise those targets and the interaction that the transition to net zero might have with the company's wider operations and strategic planning."</p>

Legislation	Details
<p>UK Transition Plan consultation</p> <p>LOW / MEDIUM IMPACT</p>	<p>The government is keen to ensure that investors have information they need to make informed decisions about the sustainability-related risks and opportunities that would reasonably be expected to affect an entity's financial prospects and this consultation seeks stakeholder views on how transition plan requirements could be taken forward.</p> <p>The government has not yet taken a position on whether to make transition plans mandatory or which entities might be included. It has said that it would consult again on the precise details of any future requirements.</p> <p>The consultation closes on September 17, 2025.</p> <p>The Climate Transition Plans consultation is one of three consultations aimed at strengthening the UK's position as a global centre for sustainable finance. The other consultations relate to (i) new UK Sustainability Reporting Standards to provide clear, comparable information for investors on sustainability related financial risks and opportunities to enable them to make informed investment decisions and (ii) the development of a voluntary registration regime for the providers of assurance of sustainability reporting. See here.</p>
<p>FCA's sustainability disclosure requirements (SDR) and investment labelling regime</p> <p>MEDIUM IMPACT</p>	<p>Headline: UK sustainability disclosure requirements, investment labelling regime and anti-greenwashing rule.</p> <p>Who is impacted? All FCA-authorised firms who make sustainability related claims about their products and services (anti-greenwashing rule only), UK asset managers (SDR and labelling regime) and firms offering portfolio management services.</p> <p>On November 28, 2023, the FCA published its policy statement (PS), available here, setting out its sustainability disclosure requirements (SDR) and investment labelling regime. The rules come into force on a staggered basis – see 2.18 of the PS - and key dates include:</p> <ul style="list-style-type: none"> anti-greenwashing rule, together with the FCA's finalized guidance, has applied since May 31, 2024; naming and marketing rules – with accompanying disclosures - for asset managers has applied from December 2, 2024; ongoing product-level and entity-level disclosures for firms with AUM greater than £50bn come into effect from December 2, 2025; and entity-level disclosure rules extended to firms with AUM greater than £5bn come into effect from December 2, 2026. <p>The FCA has a dedicated webpage on its SDR and investment labelling regime that is regularly updates.</p> <p>On April 23, 2024, the FCA published a consultation paper on extending the SDR and labelling regime to portfolio managers. The FCA initially intended to publish its final rules in the second half of 2024. However, on 29 September 2024, the FCA amended this timeline and intends to publish a Policy Statement and further information about implementation in Q2 2025.</p>

Legislation	Details
<p>FCA's sustainability disclosure requirements (SDR) and investment labelling regime</p> <p>MEDIUM IMPACT</p>	<p>On April 30, 2025 the FCA updated its SDR webpage effectively confirming that it has decided it is not the right time to finalise rules on extending SDR to portfolio management. No further details are provided as to when might be the right time.</p>
<p>UK Green Taxonomy – Consultation Response</p> <p>NO IMPACT</p>	<p>Headline: Consultation on the establishment of a UK Taxonomy. Who is impacted? Potentially, all FCA-authorized firms who make sustainability related claims about their products and services, UK asset managers and firms offering portfolio management services.</p> <p>In November 2024, the government published a consultation paper to establish whether a UK Taxonomy would be additional and complementary to existing policies in meeting the objectives of mitigating greenwashing and channelling capital in support of the government's sustainability objectives. The consultation closed to comment on February 6, 2025.</p> <p>On July 15, 2025, the government published its UK Green Taxonomy Consultation Response – see here. In short “the government has concluded that a UK Taxonomy would not be the most effective tool to deliver the green transition and should not be part of our sustainable finance framework.”</p>
EMIR	
<p>EU EMIR 3.0</p> <p>MEDIUM IMPACT</p>	<p>Headline: Further significant changes to the current EU EMIR are coming. Who is impacted? All firms within scope of EU EMIR.</p> <p>EMIR 3.0 is intended to mitigate what the EU deems excessive exposures to third-country CCPs and improve the efficiency of EU clearing markets. EMIR 3.0 proposes introducing an active account requirement (AAR), making changes to clearing threshold changes, and making changes to certain of the risk mitigation techniques, reporting of clearing activity in recognised non-EU CCPs.</p> <p>EMIR 3.0 came into force on December 24, 2024, however, certain changes and compliance requirements are subject to a phase-in period and multiple related RTS are to follow. The Amending UCITS Directive also entered into force on December 24, 2024 but Member States have until June 25, 2026 to transpose it into national law. EMIR 3.0 available here and the Amending UCITS Directive available here.</p> <p>On May 26, 2025, a corrigendum to EMIR 3.0, was published in the OJ. The corrigendum amends Article 3(3)(b) of EMIR 3.0, which relates to the MMF Regulation. A second</p>

Legislation	Details
EU EMIR 3.0 MEDIUM IMPACT	<p>corrigendum was published in the OJ on June 27, 2025. The second corrigendum corrects a legal reference concerning the identification of high-risk third countries for anti-money laundering and counter-terrorist financing purposes. Specifically, it replaces an incorrect reference to Regulation (EU) 2024/1624 with the correct citation to Directive (EU) 2015/849, known as the Anti-Money Laundering Directive.</p> <p>EMIR 3.0 Secondary Legislation</p> <p>In terms of volume, EMIR 3.0 requires ESMA to produce 28 sets of RTS and implementing technical standards, as well as guidance, with the majority of this work to be finalised by December 2025.</p> <p>The most high-profile change from EMIR 3.0, the AAR, requires in scope counterparties to open active accounts within six months after the entry into force of the EMIR 3.0 (i.e. June 2025). During that same six-month period ESMA is to draft and submit RTS on the operability and representativeness requirements of the AAR.</p> <p>On November 20, 2024, ESMA published a Consultation Paper on the “Conditions of the Active Account Requirements”, that closed to comment on January 27, 2025. On June 19, 2025, ESMA published its final report on RTS specifying the operational conditions, the representativeness obligation and the reporting requirements of AAR. In response to feedback, ESMA has streamlined aspects of the draft RTS, including the operational conditions and the reporting requirements. The final draft RTS will be submitted to the EU Commission for endorsement. If they are adopted by the EU Commission, the Commission Delegated Regulation will then be subject to scrutiny by the European Parliament and the Council of the EU.</p> <p>EMIR 3.0 also introduces clearing threshold changes and ESMA must submit draft RTS on the new clearing thresholds within 12 months, so by December 2025. On April 8, 2025, ESMA published a Consultation Paper, covering:</p> <ul style="list-style-type: none"> ◦ proposals for a revised set of clearing thresholds; ◦ considerations for hedging exemptions for non-financial counterparties; and ◦ a trigger mechanism for reviewing the clearing thresholds. <p>The consultation closed on June 16, 2025. Based on the feedback received, ESMA will publish a final report and submit the draft technical standards to the EU Commission by the end of the year.</p> <p>On June 24, 2025, ESMA published two consultation papers seeking comments on (i) draft RTS on margin transparency requirements and (ii) information on clearing fees and associated costs under the EMIR 3.0. Both consultations close to comment on September 8, 2025.</p>

Legislation	Details
<p>(EU EMIR) ESMA extends recognition decisions for UK CCPs to 30 June 2028</p> <p>LOW / MEDIUM IMPACT</p>	<p>Who is impacted? Firms within scope of EU EMIR.</p> <p>On March 17, 2025, ESMA published a press release announcing its decision to extend the application of recognition decisions under Article 25 of EMIR for three CCPs established in the UK. The application of the recognition decisions and tiering determination decisions for ICE Clear Europe Ltd, LCH Ltd and LME Clear Ltd have been temporarily extended until June 30, 2028.</p> <p>ESMA has also published a revised version of its MoU with the BoE on arrangements for co-operation on the monitoring and supervision of CCPs established in the UK. In a related press release, ESMA states that the revisions reflect amendments made by EMIR 3.0 to EMIR on the requirements concerning the content of co-operation arrangements between ESMA and third-country authorities, particularly in respect of systemically important third-country CCPs (Tier 2 TC-CCPs). The revised MoU replaces the previous version of the MoU, which was published in January 2021.</p>
<p>(UK EMIR) Minor Amendments to UK EMIR</p> <p>LOW / MEDIUM IMPACT</p>	<p>Headline: Changes to the UK EMIR derivatives reporting regime. Who is impacted? All firms within scope of UK EMIR.</p> <p>On June 6, 2025, the FCA and BoE issued a joint consultation - CP25/16: Quarterly Consultation Paper No 48 – proposing minor amendments to UK EMIR.</p> <p>The proposals were to:</p> <ul style="list-style-type: none"> ○ Add 'Execution agent' as a new field in Table 3 of the Technical Standards on the Minimum Details of the Data to be Reported to Trade Repositories and the Technical Standards on the Standards, Formats, Frequency and Methods and Arrangements for Reporting. This is to correct an oversight where the execution agent field was added to the trade reporting requirements, but not the margin reporting requirements. Corresponding amendments have been proposed to the Schemas and Validation Rules for the Execution Agent field and several other fields. The proposed addition of the execution agent field will require changes to firms' reporting systems; and ○ Amend Article 8(5) (Unique Transaction Identifier) of the EMIR Technical Standards on the Standards, Formats, Frequency and Methods and Arrangements for Reporting 2023 to correct a cross-referencing error. <p>The consultation closed to comment on June 30, 2025.</p> <p>On August 8, 2025, the FCA published the Technical Standards (EMIR Reporting and Data Quality and Miscellaneous Amendments) Instrument 2025 (FCA 2025/36), which were made on August 6, 2025.</p> <p>The final technical standard <u>are</u> largely as consulted upon – in particular the execution agent field will be added. However, the amendments come into force on January 26, 2026, as opposed to December 1, 2025, which is the date initially proposed in CP25/16.</p> <p>To support industry implementation, the BoE and FCA have also published final validation rules, XML reporting schemas and outgoing messages from trade repositories.</p>

Legislation	Details
<p>(UK EMIR) Minor Amendments to UK EMIR</p> <p>LOW / MEDIUM IMPACT</p>	<p>On March 27, 2025, the FCA published a joint FCA/PRA Consultation Paper (CP25/5) proposing amendments to the bilateral margin requirements under UK EMIR. The proposal is an indefinite exemption from the bilateral margin requirements for single stock equity options and index options to take effect from January 4, 2026.</p> <p>The FCA and the PRA, have also taken the opportunity to consult on two additional proposals to address operational issues raised by industry, with the aim of making the regime more proportionate:</p> <ul style="list-style-type: none"> Amendments for legacy contracts for counterparties that fall under the Average Aggregate Notional Amount (AANA) threshold. Amendments to allow firms to align dates related to the AANA calculation with other jurisdictions. <p>The consultation closed to comment on June 27, 2025.</p>

Central Securities Depositories Regulation (CSDR)

Headline: Changes to the EU CSDR regime.

Who is impacted? All firms within scope of EU CSDR.

<p>CSDR Refit Regulation published in OJ and related ESMA consultations</p> <p>HIGH IMPACT</p>	<p>On December 27, 2023, the CSDR Refit regulation was published in the Official Journal (OJ) available here. The regulation entered into force on January 16, 2024. Depending on the Articles, it applies from either May 1, 2024 or two years after entering into force.</p> <p>The new regulation “contains measures to improve ‘settlement efficiency’ (the rate at which securities transactions settle on the intended date) by amending certain elements of the settlement discipline regime, including the preconditions for applying so-called mandatory buy-ins.”</p> <p>Related to the CSDR Refit Regulation, following consultation in December 2023, on November 19, 2024 ESMA published its Final Report on the Technical Advice for the EU Commission on the Penalty Mechanism under the CSDR. The EU Commission will take ESMA’s Technical Advice into account when amending the Commission Delegated Regulation (EU) 2017/389. ESMA also recognises that a significant increase of penalty rates may divert resources from expected investments and costs for the industry in the context of the move to T+1. The revised penalty mechanism will become applicable once the amended Delegated Regulation has been adopted by the EU Commission, scrutinized by the European Parliament and the Council of the EU, and published in the OJ.</p>
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Legislation	Details
<p>ESMA Final Report Technical Advice on the Scope of CSDR Settlement Discipline</p> <p>MEDIUM IMPACT</p>	<p>CSDR Refit requires further specification of the scope of the settlement discipline rules. CSDR Refit, empowers the EU Commission to adopt delegated acts to supplement the CSDR by specifying: i) the underlying causes of settlement fails that are considered as not attributable to the participants in the transaction, and ii) the circumstances in which operations are not considered as trading.</p> <p>The EU Commission requested ESMA provide technical advice to assist it in preparing such a delegated act. ESMA published a consultation paper on July 9, 2024 to collect views, comments, and opinions, as well as data and evidence from stakeholders and market participants on ESMA's preliminary proposals on the two topics mentioned above.</p> <p>On June 26, 2025, ESMA published its Final Report Technical Advice, covering the underlying causes of settlement fails that are considered as not attributable to the participants in the transaction, and the circumstances in which operations are not considered as trading, and which should not be subject to settlement discipline measures.</p> <p>According to that technical advice, a broad range of scenarios (detailed therein) would not trigger CSDR cash penalties.</p> <p>The EU Commission will consider ESMA's technical advice when preparing a new delegated act supplementing CSDR further specifying the scope of operations and transactions subject to the settlement discipline regime.</p>
<p>Legislative Proposal to amend CSDR to move to T+1</p> <p>MEDIUM IMPACT</p>	<p>On February 12, 2025, the EU Commission published a legislative proposal to amend Article 5(2) of the CSDR, requiring that for transactions in scope of Article 5(2), the intended settlement date shall be no later than on the first business day after the trading takes place. The transactions in scope of Article 5(2) are transactions in transferable securities referred to in Article 5(1) which are executed on trading venues, with some limited exceptions. The amendment would apply from October 11, 2027.</p> <p>On May 7, 2025, the Council of the EU published a press release announcing that its Permanent Representatives Committee (COREPER) had approved its negotiating mandate on the proposed Regulation to shorten the settlement period for EU transactions in transferable securities through an amendment to Article 5(2) of CSDR. The Council amended the EU Commission's legislative proposal by including an exemption from the T+1 settlement cycle for SFTs. The reason for the exemption was that parties to these transactions may need to agree to non-standardised settlement periods. The exemption would only apply to SFTs that are documented as single transactions composed of two linked operations.</p> <p>On June 23, 2025, the Council of the EU published the final compromise text of the proposed Regulation amending the CSDR as regards a shorter settlement cycle in the Union following conclusions of trilogue negotiations between it, the EU Commission and the European Parliament.</p>

Legislation	Details
Legislative Proposal to amend CSDR to move to T+1 MEDIUM IMPACT	<p>The Recitals to the final text expressly talk of a possible suspension of cash penalties. The recital empowers the EU Commission to consider adjusting Delegated Regulation (EU) 2017/389 or to take an appropriate measure to temporarily suspend cash penalties where a material risk in settlement fails is identified. In addition, the final text exempts certain SFTs from the T+1 settlement cycle, as proposed by the Council in its May 7, 2025 negotiating mandate.</p>
ESMA consults on measures to increase settlement efficiency and prevent settlement fails MEDIUM IMPACT	<p>CSDR Refit mandates ESMA to prepare RTS in relation to settlement discipline measures and tools to improve settlement efficiency. On February 13, 2025 ESMA published a consultation paper to deal with these mandates and to explore additional measures and tools to enhance settlement efficiency.</p> <p>The consultation outlines specific proposals to amend RTS on settlement discipline as well as some other changes where ESMA's preliminary view is that no regulatory action is required but where ESMA is keen for stakeholder's views. The Consultation Paper also considers the technical changes needed to pave the way towards T+1 in the EU.</p> <p>The consultation closed on April 14, 2025. ESMA plans to submit the final draft RTS to the EU Commission by October 2025.</p>
Other	
AIFMD 2.0 and related ESMA Consultations MEDIUM / HIGH IMPACT	<p>Headline: Changes to AIFMD and to some extent UCITS Directive. Who is impacted? Entities in scope of AIFMD and UCITS Directive, and asset managers outside the EU who wish to market in the EU.</p> <p>AIFMD 2.0 entered into force on April 15, 2024. Member States have 24 months to transpose the provisions into national law with AIFMD 2.0 taking effect from April 16, 2026.</p> <p>AIFMD 2.0 makes targeted changes to certain provisions of AIFMD, including the following:</p> <ul style="list-style-type: none"> Delegation, Authorisation, Disclosure to investors and Reporting. A new Loan Origination regime. Liquidity Management Tools (LMTs). <p>There are certain transitional provisions for existing funds that originate loans.</p> <p>Under AIFMD 2.0, ESMA is mandated to develop a number of RTS and guidelines to provide additional detail on certain aspects of AIFMD 2.0.</p>

Legislation	Details
AIFMD 2.0 and related ESMA Consultations MEDIUM / HIGH IMPACT	<p>Following an earlier consultation, on April 15, 2025 ESMA published its Final Report on the Draft RTS on LMTs under AIFMD 2.0 and Guidelines on LMTs of UCITS and open-ended AIFs under AIFMD 2.0. These final draft RTS need to be adopted by the EU Commission, which has three months to make a decision although this can be extended by one month. The EU Commission may also decide to amend the RTS.</p> <p>On December 12, 2024, ESMA published a consultation paper on draft RTS for open-ended loan-originating AIFs as mandated by AIFMD 2.0. The RTS set out the requirements with which Loan-Originating AIFs are to comply in order to maintain an open-ended structure. The consultation closed to comment on March 12, 2025.</p>
ESMA discussion paper on integrated collection of funds' data under AIFMD 2.0 MEDIUM IMPACT	<p>On June 23, 2025, ESMA published a discussion paper on the integrated collection of funds' data, which has been released due to the legislative changes introduced by AIFMD 2.0 and ESMA's simplification and burden reduction initiative.</p> <p>Under AIFMD 2.0, ESMA is mandated to submit a report to the EU Commission by April 16, 2026 outlining the development of an integrated reporting system of supervisory data. The purpose of the report is to assess the current supervisory reporting landscape in the asset management sector and to propose recommendations to improve its efficiency, consistency and effectiveness. A key focus will be identifying and addressing areas of duplication and inconsistency between reporting frameworks in the asset management sector and the broader financial sector.</p> <p>The discussion paper findings will feed into ESMA's report to the EU Commission. Evidence collected by ESMA so far suggests that there could be more than 100 distinct asset management reporting templates in use across the EU, varying by fund type and jurisdiction. To address the operational inefficiencies and raises compliance costs of diverse reporting, the discussion paper sets out potential reporting options, including:</p> <ul style="list-style-type: none"> introducing a coherent framework across multiple EU reporting regimes to create a holistic view composed of multiple datasets, so that data submitted once can serve multiple oversight purposes (integrated reporting); replacing all existing EU and national-level reporting obligations under the AIFMD, UCITS Directive and the Money Market Fund Regulation with a single EU-wide reporting structure (full integrated reporting framework); and creating a full integrated reporting framework with specific national reporting requirements. <p>ESMA's main priorities will focus on supervisory relevance, proportionality and operational feasibility when looking at integration options. The discussion paper closes to comment on September 21, 2025. ESMA will consider the feedback it receives in Q4 2025 and expects to submit a report on the development of an integrated collection of supervisory data to the EU Commission in Q2 2026.</p>

Legislation	Details
Regulation amending BMR regarding scope, use of 3rd-country benchmarks and reporting requirements adopted	<p>Headline: Changes to the EU Benchmarks Regulation Who is impacted? All firms that use or reference Benchmarks.</p> <p>On May 19, 2025, Regulation 2025/914 amending the Benchmarks Regulation ((EU) 2016/1011) as regards the scope of the rules for benchmarks, the use in the Union of benchmarks provided by an administrator located in a third country and certain reporting requirements was published in the OJ. The Regulation entered into force on June 8, 2025 and will apply from January 1, 2026.</p> <p>In terms of the main changes, (i) only those benchmarks defined as critical or significant, EU Paris-aligned benchmarks, EU Climate Transition benchmarks, and certain commodity benchmarks should remain under the scope of the Regulation and (ii) supervised entities would only be allowed to use EU and third-country benchmarks that claim to take environmental, social and governance factors (ESG) into account in their methodology, if the administrator of the benchmarks discloses certain information.</p>

UK Post Brexit Regulatory Developments

Headline: UK Post Brexit Regulatory developments.

Who is impacted? Firms doing business in the UK.

The “Leeds Reforms”	<p>On July 15, 2025, HM Treasury announced, in a press release, a series of reforms relating to the financial services sector (referred to as the Leeds Reforms).</p> <p>As part of the Leeds Reforms, HM Treasury published its financial services growth and competitiveness strategy (the Strategy). The Strategy sets out a new vision for kickstarting growth in the financial services sector over the next ten years. The Strategy also covers considers capital markets, pensions, fintech, sustainable finance, how to encourage retail investment, the capital framework for banks, and the insurance and reinsurance Markets. The key message is that the UK must regulate for growth not just for risk, while maintaining its commitment to international standards.</p> <p>In the Strategy the government sets out three core objectives for Asset Management and Wholesale Services to help the government achieve its aim of making the UK “the most attractive place to manage investments globally”, as well as a number of other objectives. Of note, the government states in the Strategy that it will review and reform legislation including the Benchmarks Regulation, the Markets in Financial Instruments Directive (MiFID), and EMIR.</p> <p>Linked to the Strategy a number of consultations have been published, for example:</p> <ul style="list-style-type: none"> ◦ HM Treasury published a consultation paper, Financial Services Growth and Competitiveness Strategy: Regulatory Environment – Cross Cutting Reforms, that proposes to reduce the statutory deadlines for the FCA to approve applications for authorisations, variations of permission and the Senior Managers and Certification
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Legislation	Details
<p>The “Leeds Reforms”</p>	<p>Regime (SM&CR). It also commits the FCA to try to meet some voluntary deadlines related to the three areas. The consultation closes on September 9, 2025;</p> <ul style="list-style-type: none"> HM Treasury, the FCA and the PRA have published consultations linked to the reform of the SM&CR aiming to improve the efficiency and effectiveness of the regime. The consultations close on October 7, 2025; The government has issued a policy note on updating the UK’s regulatory framework for central counterparties (CCPs), together with a draft version of the Central Counterparties (Amendment) Regulations 2025 (CCP Regulations). The policy note is focused on the approach to revoking and replacing the specific CCP-focused elements of UK EMIR and the CCP Regulations are intended to accompany future legislation revoking CCP provisions within UK EMIR. Feedback on the draft statutory instruments can be provided until November 18, 2025. HM Treasury intends to lay the legislation before Parliament in 2026.
<p>HMT and FCA publish proposals to revise the regulatory framework for UK AIFMs</p> <p>MEDIUM IMPACT</p>	<p>On April 7, 2025 two papers were published that could have a significant impact on the future of asset management in the UK and herald the beginning of real regulatory divergence between UK and EU regulation of managers of alternative investment funds. Notably, the proposals do not track the amendments made in the EU under AIFMD 2.0 that come into effect on April 16, 2026.</p> <p>The HM Treasury published a Consultation on Regulations for Alternative Investment Fund Managers and the FCA published a Call for Input on the future regulation of alternative fund managers. HM Treasury’s consultation focuses on the perimeter of the regulation and whether the current regulatory framework for AIFMs and depositaries should be simplified, enabling the FCA to establish a more graduated and proportionate approach to regulation. Alongside HMT’s consultation, the FCA’s Call for Input sets out its proposed approach to regulating AIFMs within the revised framework.</p> <p>The Consultation and Call for Input both closed to comment on June 9, 2025.</p> <p>Subject to feedback, and subject to decisions by HMT on the future regime, the FCA plans to consult on detailed rules in the first half of 2026. The FCA intends to give firms time to adapt to the new regime, while removing unnecessary rules relatively quickly.</p> <p>In the Leeds Reforms, discussed above, the Strategy talks of the second phase of the review of AIFMD beginning in early 2026, and talking of the government “pursuing an ambitious package of reforms for venture capital fund managers to ensure the rules are properly calibrated to the activity these firms undertake”.</p>

Legislation	Details
<p>FCA discussion paper improving the UK transaction reporting regime</p> <p>LOW / MEDIUM IMPACT</p>	<p>In November 2024, the FCA published a discussion paper (DP24/2) on improvements to the UK's transaction reporting regime.</p> <p>The FCA is looking at potential options for evolving the transaction reporting and instrument reference data requirements. The FCA emphasises that it is not seeking change for the sake of change and recognises the benefits of close alignment with international standards and other regulatory reporting regimes, including the EU MiFID transaction reporting regime. The discussion paper will help the FCA develop a position before consulting on the development of a new transaction reporting regime that will remove unnecessary burdens for firms while maintaining the high regulatory standards.</p> <p>DP24/2 is relevant for MiFID investment firms, UK branches of third-country investment firms with transaction reporting obligations, UCITS managers, AIFMs, and others. The DP24/2 is discussed in detail in Q1 2025 Regulatory Updater. The discussion paper closed on February 14, 2025.</p> <p>Currently, regulators are planning substantive policy changes as assimilated law relating to this initiative is repealed and (where appropriate) replaced, but this is subject to further review by government and regulators. HM Treasury is to publish draft a draft statutory instrument (SI), or lay a final SI, when parliamentary time allows, exact time to be determined.</p>
<p>Update on Consumer Duty</p> <p>LOW / MEDIUM IMPACT</p>	<p>The Consumer Duty came into force in respect of new products and services on July 31, 2023 and for closed products and services and services July 31, 2024. The FCA has a dedicated Consumer Duty webpage. See the Q1 Regulatory Updater for more details of developments between September and December 2025.</p> <p>On February 27, 2025, the FCA updated its consumer duty webpage (here) to clarify that it no longer expect firms to have a board champion.</p> <p>On March 25, 2025, the FCA published a feedback statement (FS25/2) on immediate areas for action and further plans for reviewing FCA retail conduct requirements following the introduction of the consumer duty. In FS25/2, the FCA outlines a programme of action that it will take to simplify its requirements of firms, covering commitments for immediate action and proposals for longer-term work.</p> <p>As part of the July 2025 Leeds Reforms (see above under heading "The "Leeds Reforms""), the Strategy notes that the government will address concerns about the application of the Consumer Duty to provide more certainty on its scope and application to wholesale firms.</p> <p>Responses to request for feedback showed a consistent feeling that the FCA applied an approach to regulation that was too one-size-fits-all. This was felt, in particular, by asset managers and other wholesale firms. Within this, the scope and application of</p>

Legislation	Details
<p>Update on Consumer Duty</p> <p>LOW / MEDIUM IMPACT</p>	<p>the Consumer Duty was raised as a notable case of consumer protection extending to firms who do not serve retail consumers or sell products directly to them. As a result, the Chancellor has asked the FCA to report back to her, by the end of September, on how it plans to address concerns about the application of the Consumer Duty for firms primarily engaged in wholesale activity.</p>
<p>FCA rules on Paying for Investment Research</p> <p>LOW / MEDIUM IMPACT</p>	<p>On April 10, 2024, the FCA announced plans to overhaul the UK's research payment rules to allow the 'bundling' of payments for third-party research and trade execution (subject to the FCA's proposed guardrails), which the FCA proposes would exist alongside those already available, such as payment from an asset manager's own resources or from a dedicated account.</p> <p>On July 26, 2024, the FCA published its policy statement summarising the feedback and outlining their final policy position and Handbook rules. The final rules are largely in line with what was originally proposed. Provided that firms meet the requirements in relation to the operation of the new rules, they have been able to use them since August 1, 2024.</p> <p>On November 5, 2024, the FCA published a consultation paper (CP24/21) to put in place similar rules in substance for firms managing pooled funds. The new rules effectively allow rebundling, provided that certain guard rails are complied with. The FCA's intention is to make it operationally more efficient for asset managers of different business models and sizes to take up the new payment option to pay for investment research. The consultation closed on December 16, 2024.</p> <p>On May 9, 2025, the FCA confirmed that it would be moving forward with implemented rules allowing fund managers to pay for research with a joint payment option. The new rules, set out in the FCA's Policy Statement, PS25/4, came into force on May 9, 2025.</p>

This Regulatory Round up is intended to be a general guide and does not constitute legal advice. You should seek independent legal, tax and/or accounting advice with respect to the impact these developments may have on your business operations.

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