



Regulatory Insights

November 2024



Anti-Money Laundering

FATF: Money Laundering national risk assessment guidance

The FATF released [guidance](#) on conducting a National Risk Assessment (NRA) for money laundering. This guidance helps countries assess money laundering risks by drawing on insights from over 90 countries within the FATF Global Network and more than 500 responses to a public consultation. Key sections include: (i) NRA Preparation and Setup, outlining the essential steps for a successful NRA; (ii) assessing and understanding money laundering risks, providing a flexible yet structured methodology for analysing threats, vulnerabilities, and risks, enabling countries to apply a coherent approach tailored to their capacity and specific risks; and (iii) recommending follow-up actions, such as aligning mitigation measures with identified risks, communicating results, and improving the NRA process. This guidance serves as a practical tool for countries seeking to enhance their AML/CFT systems and align them with best practices across the FATF network.



Asset Management

ESMA is collecting data on costs linked to investments in AIFs and UCITS

ESMA launched on 14 November 2024 [a data collection exercise](#) together with the National Competent Authorities (NCAs), on costs linked to investments in AIFs and UCITS.

ESMA with the NCAs designed a two-stage data collection involving both manufacturers and distributors of investment funds.

Information requested from manufacturers will provide an indication on the different costs charged for the management of the investment funds.

Information requested from distributors (i.e., investment firms, independent financial advisors, neo-brokers) will provide details on the fees paid directly by investors to distributors.

This initiative contributes to shedding light on pricing practices in a key part of the EU financial markets, information that has until now not been accessible to retail investors and supervisory authorities. Greater transparency will allow investors to know more about the features of the products that are offered to them and will further support the development of a competitive market for UCITS and AIFs.

The data collection follows the Level 1 mandate received from the European Commission under the UCITSD/AIFMD review.

Next steps

A report based on these data will be submitted to the European Parliament, the Council and the European Commission in October 2025. This will also be part of an enhanced 2025 ESMA market report on costs and performance of EU retail investment products.



Banking & Finance (1)

FSB: 2024 List of Global Systematically Important Banks

The FSB released its [2024 list](#) of Global Systemically Important Banks (G-SIBs) based on end-2023 data and using the assessment methodology developed by the Basel Committee on Banking Supervision (BCBS). The list includes 29 banks, with no additions or removals, though there were some adjustments in how these institutions are grouped into different buckets. The FSB requires its member authorities to impose the following measures on G-SIBs: (i) higher capital buffer—banks are assigned to specific buckets, which determine the level of capital buffers they must hold, with these requirements coming into effect on 1 January 2026; (ii) TLAC—banks must meet the Total Loss-Absorbing Capacity (TLAC) standard in addition to the capital requirements under the Basel III framework; (iii) resolvability—this includes comprehensive group-wide resolution planning and periodic assessments of each bank's ability to be resolved in case of failure; and (iv) higher supervisory expectations—these include enhanced expectations for risk management, data aggregation, governance, and internal controls.

The BCBS also published additional details on the process for identifying G-SIBs, including: (a) the denominators of the high-level indicators used to calculate each bank's score, (b) the high-level indicators for each bank in the sample, and (c) the score threshold that determines which banks are classified as G-SIBs and the thresholds used to allocate them into specific buckets to calculate their higher loss-absorbency requirements.

BCBS: Technical amendment finalising various technical amendments

The BCBS published [a technical amendment](#) that finalises various changes to the Basel framework. These amendments include:

- (i) the definition of specialised lending in the standardised approach to credit risk, which has been adjusted to better align with the definition used in the internal ratings-based approach; and
- (ii) a curvature charge for Group 2a crypto-assets within the crypto-asset exposure standard, bringing their treatment in line with that of other asset classes.

BCBS members have agreed to implement these technical amendments as soon as feasible, with a deadline of no later than three years. The amendment to SCO60.80 will be incorporated into the final crypto-asset exposures standard, effective from 1 January 2026. These amendments were first published for consultation in July and have now been finalised as initially proposed.

Banking & Finance (2)

ECB: Statement on sound practices for managing liquidity risks

The ECB issued a [statement](#) outlining sound practices for managing intraday liquidity risk. In response to recent financial stress events, particularly the market turmoil in 2023 that culminated in the collapse of Credit Suisse, and in light of rapid technological advancements such as 24/7 instant payments and shorter settlement cycles, the ECB conducted a thematic review on intraday liquidity. As a result, it identified several key practices for managing intraday liquidity risk. These practices reflect commonly observed approaches among institutions reviewed by the ECB. The key practices are considered essential, while good practices represent more advanced methods observed at certain institutions and are seen as aspirational. The guidance serves as a reference for institutions designing their intraday liquidity risk management strategies and provides a framework for supervisors when engaging with these institutions.

EBA: Peer review follow-up report on supervision of non-performing exposure management by credit institutions

The EBA released a [follow-up report](#) to its 2022 peer review on the supervision of Non-Performing Exposure (NPE) management by credit institutions. This report focuses on evaluating a selected group of EU competent authorities, chosen based on the results from the initial 2022 review. It highlights that all the authorities have made notable progress in enhancing their practices and are now largely or fully adhering to the specific provisions of the Guidelines. The findings indicate significant improvements in supervisory methodologies and the implementation of the EBA Guidelines. While the EBA states that no additional recommendations are required, it emphasises the importance for competent authorities to stay alert to emerging trends and proactively address early signs of NPE growth in their regions.

ESAs: Final report on joint Guidelines on the system established by the ESAs for the exchange of information relevant to the assessment of the fitness and propriety of holders of qualifying holdings, directors and key function holders of financial institutions and financial market participants by NCAS

The ESAs issued joint [Guidelines](#) regarding the system for exchanging information relevant to the assessment of the fitness and propriety of individuals holding qualifying holdings, directors, and key function holders within financial institutions and market participants by NCAs. The system, which includes a cross-sectoral database (ESAs Information System) and these Guidelines, aims to promote a timely exchange of information between competent authorities. The ESAs Information System will store limited data on individuals subject to fitness and propriety assessments under EU sectoral regulations. Competent authorities conducting these assessments will upload the relevant information into the system in line with these Guidelines. The purpose of the ESAs Information System is to assist authorities in identifying other competent authorities that have previously conducted assessments on the same individual, thereby improving the efficiency of fitness and propriety evaluations.

Banking & Finance (3)

EC: Commission Implementing Regulation laying down ITS for the application of the CRR with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III CRR, and repealing Commission Implementing Regulation (EU) 2021/637

The EC adopted the Commission Implementing Regulation setting out the [implementing technical standards](#) (ITS) for the application of the CRR concerning public disclosures by institutions on the information specified in Part Eight, Titles II and III of the CRR, replacing Commission Implementing Regulation (EU) 2021/637. This Regulation enacts the CRR III prudential disclosures, introducing new requirements on output floor, credit risk, market risk, CVA risk, operational risk, and transitional disclosures related to crypto-asset exposures. The Regulation aims to provide institutions with a comprehensive, integrated set of standardised disclosure formats. The repeal of Implementing Regulation (EU) 2021/637 seeks to make the technical standards more user-friendly for institutions. Prior to the adoption, the EBA issued an Opinion on the EC's proposed amendments to these ITS on 14 November 2024. The EBA acknowledges that the Commission's proposal to include templates intended for publication on the EBA website in the Official Journal offers more flexibility compared to the current ITS version. However, the EBA also notes that the original plan of keeping both templates and instructions solely on the EBA website would have provided greater flexibility for developing such IT solutions. While the EBA accepts the EC's proposal, it views it as a temporary step and emphasises that both the EBA and the EC will continue to collaborate to further refine and operationalise the ITS in line with the CRR III mandates.

Commission Regulation (EU) 2024/2862 amending Regulation (EU) 2023/1803 as regards International Accounting Standard 21

Commission Regulation (EU) [2024/2862](#), which amends Regulation (EU) 2023/1803 in relation to International Accounting Standard 21 (IAS 21), has been published in the Official Journal. The regulation incorporates amendments to IAS 21, which clarify when a currency is exchangeable for another and, in cases where it is not, how a company should determine the applicable exchange rate. It also outlines the disclosure requirements for companies when a currency is not exchangeable. These changes are integrated into Regulation (EU) 2023/1803.

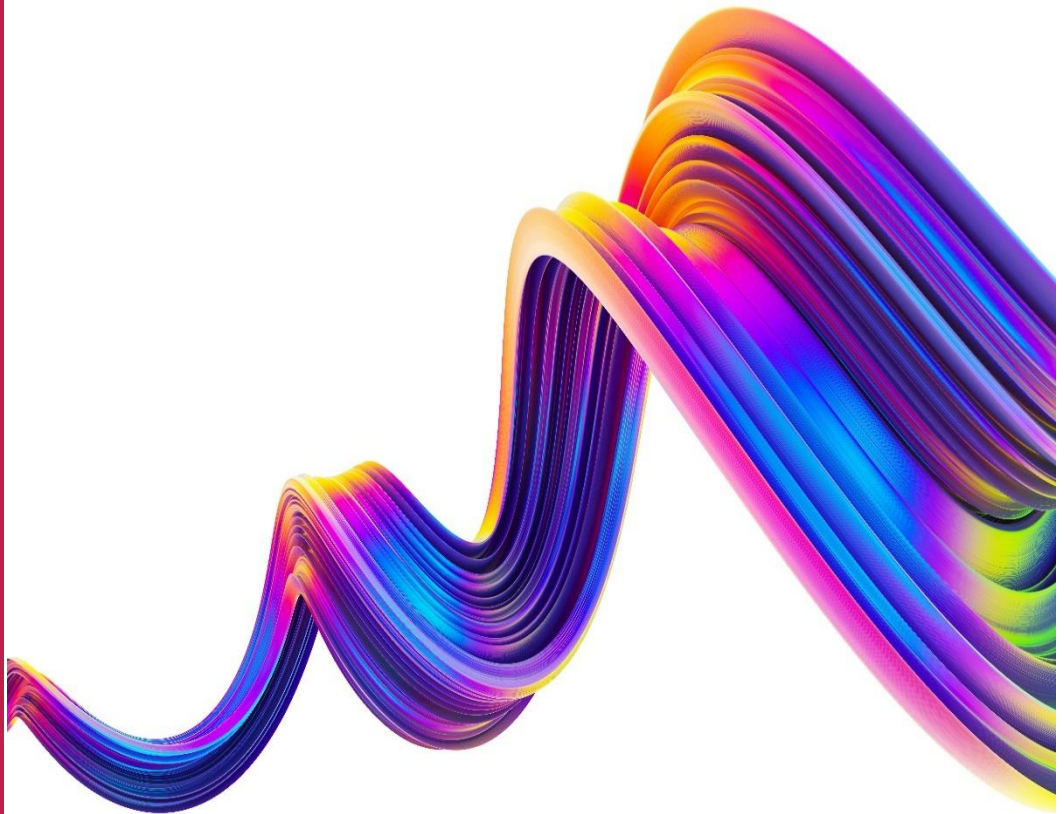
EBA: MREL Q2 quarterly Dashboard 2024

The EBA released its [Q2 2024 quarterly Dashboard](#) on MREL, which provides aggregated statistical data for 339 banks designated for resolution across the EU, for which the EBA has received both decision and resource data. For the first time, the Dashboard also includes a list of the covered entities. All banks have met their MREL requirements in accordance with the BRRD deadline of 1 January 2024, except for 21 banks still in their transition period, which report a shortfall. The total value of instruments becoming ineligible over the next year for this sample amounts to EUR 220bn, a figure considered manageable.

Banking & Finance (4)

**EBA:
Publication of
methodology,
draft templates,
and key
milestones for
the 2025 EU-
wide stress test**

The EBA released the final [methodology](#), draft templates, and template guidance for the 2025 EU-wide stress test, along with the key milestone dates for the exercise. The stress test will officially begin in the second half of January 2025, following the release of the macroeconomic scenarios, with results expected to be published in early August 2025. The methodological note outlines the common methodology for calculating the stress impact of the shared scenarios and establishes constraints for the bottom-up calculations by banks. It also aims to provide banks with the necessary guidance and support to carry out the EU-wide stress test. The draft template guidance addresses general topics such as template types, data inputs, formats, and the supervisory reporting standards used. It includes an overview of the purpose and data required for each template, followed by details on its structure, such as the information contained in rows and columns. Any specific definitions or requirements for the templates are explained in the subsequent section. Lastly, the relationships between the templates are outlined. The EBA notes that the draft templates and guidance may undergo minor technical adjustments before their final publication at the launch.



Digital assets (1)

The ESAs announce timeline to collect information for the designation of critical ICT third-party service providers under the Digital Operational Resilience Act

The ESAs published on 15 November 2024 a [Decision](#) on the information that competent authorities must report to them for the designation of critical ICT third-party service providers under the Digital Operational Resilience Act (DORA). In particular, the Decision requires competent authorities to report by 30 April 2025 the registers of information on contractual arrangements of the financial entities with ICT third-party service providers.

Following the entry into force of DORA on 17 January 2025, the ESAs, together with competent authorities, will start the oversight of Critical ICT Third-Party Service Providers (CTPPs) offering services to financial entities in the EU. The first oversight activity is the designation of CTPPs.

The Decision provides a general framework for the annual reporting to the ESA of the information necessary for the CTPP designation, including timelines, frequency and reference dates, general procedures for the submission of information, quality assurance and revisions of submitted data, as well as confidentiality and access to information.

As the deadline for the first submission of the registers of information to the ESAs is set for 30 April 2025, the ESAs expect competent authorities to collect the registers of information from the financial entities under their supervision in advance, following their own timelines.

Although the Implementing Technical Standards (ITS) on the Registers of information have not yet been adopted by the EU Commission, the ESAs note that the essential part of the requirements for registers of information is publicly available since the publication of the [ESAs Final Report](#) in January 2024 and that any potential changes in the registers following the rejection by the EU Commission and the [ESAs Opinion](#) on the rejection should be limited. Therefore, the ESAs encourage financial entities to anticipate as much as possible the preparation of their registers, especially for information which may not be immediately available (e.g. the relevant identifiers of their ICT providers).

To support the industry preparations, the ESAs have shared the draft templates, data point model and reporting technical package in May 2024 and have carried out a [voluntary Dry Run exercise](#) on reporting of registers of information with participation of around 1000 financial entities across the financial sector in the EU.

The ESAs also published [a list of validation rules](#) that will be used when analysing the registers of information and the visual representation of the [data model](#). These rules will be included in the updated reporting technical package (including updated data point model, taxonomy and validation rules), which is set to be published in December 2024.

Digital Assets (2)

Commission Delegated Regulation supplementing the MiCA Regulation with regard to RTS

EC: Adoption of Delegated Regulations under the MiCA Regulation

Workshop

Financial entities who would like to learn more about how to prepare their registers of information and hear about the outcomes of the 2024 Dry Run exercise, are invited to take part in an information workshop on 18 December 2024. The workshop will be held virtually from 10:00 to 13:00. Interested parties can register by 16 December 2024 at the following [link](#).

The EC adopted the Commission Delegated Regulation, which supplements the MiCA Regulation by providing Regulatory Technical Standards (RTS) that outline the content and format of order book records for crypto-asset service providers operating trading platforms for crypto-assets.

The EC published six Delegated Regulations supplementing the MiCA Regulation (dated 31 October). These regulations will now be reviewed by the Council of the EU and the EP. If there are no objections, they will be published in the Official Journal (OJ) and will enter into force on the twentieth day after publication.

- [Commission Delegated Regulation supplementing the MiCA Regulation with regard to RTS specifying the information to be included by certain financial entities in the notification of their intention to provide crypto-asset services](#)
- [Commission Delegated Regulation supplementing the MiCA Regulation with regard to RTS specifying the information to be included in an application for authorization as a crypto-asset service provider](#)



Securities & Markets (1)

ESMA proposes to move to T+1 by October 2027

ESMA on 18 November 2024 published its [Final Report](#) providing the assessment of the shortening of the settlement cycle in the European Union (EU).

The report highlights that the increased efficiency and resilience of post-trade processes that should be prompted by a move to T+1 would facilitate achieving the objective of further promoting settlement efficiency in the EU, contributing to market integration and to the Savings and Investment Union objectives.

ESMA recommends that the migration to T+1 occurs simultaneously across all relevant instruments and that it is achieved in Q4 2027. Considering the different elements assessed by ESMA, in particular the difficulties linked to the go-live of such a big project in November and December, and the challenges linked to the first Monday of October (just after the end of a quarter), ESMA recommends 11 October 2027 as the optimal date for the transition to T+1 in the EU. ESMA also suggests following a coordinated approach with other jurisdictions in Europe.

Regarding the quantification of the costs and benefits, the elements assessed by ESMA suggest that the impact of T+1 in terms of risk reduction, margin savings and the reduction of costs stemming from the misalignment with other major jurisdictions globally, will represent important benefits for the EU capital markets.

However, this change will also imply some challenges, including amending the Central Securities Depositories Regulation (CSDR) and the settlement discipline framework, in order to have legal certainty and foster the necessary improvements in post-trading processes to move successfully to T+1.

Additionally, all actors of the financial system will need to work on harmonisation, standardisation, and modernisation to improve settlement efficiency. This will require some level of investment.

The complexity of a trading and post-trading environment such as the EU capital markets means that this project will require a specific governance to be put in place.

Next steps

Following the publication of this report, ESMA will continue its regulatory work related to the revision of rules on settlement efficiency, and addressing the T+1 governance together with the European Commission (EC) and the European Central Bank (ECB).

Securities & Markets (2)

IOSCO: Report on pre-hedging

IOSCO initiated a [consultation on pre-hedging](#), examining the potential conduct and market integrity issues related to this practice. The report proposes a definition of pre-hedging and outlines a set of recommendations to assist regulators in determining acceptable pre-hedging practices and managing the associated conduct risks effectively. IOSCO is seeking feedback on the proposed definition and a minimum set of broadly applicable recommendations. Additionally, IOSCO is interested in whether these recommendations should be tailored to specific situations. For example, IOSCO is particularly seeking input on the differences between the proposed recommendations for bilateral non-electronic transactions and pre-hedging in electronic trading, including competitive Requests For Quotes (RFQs). IOSCO plans to release a final report with recommendations for its members in 2025.

Regulation (EU) 2024/2809 amending the Prospectus Regulation, the MAR and MiFIR to make public capital markets in the Union more attractive for companies and to facilitate access to capital for SMEs

Regulation (EU) [2024/2809](#), which amends the Prospectus Regulation, the MAR, and MiFIR, has been published in the Official Journal. This regulation is part of the Listing Act package within the Capital Markets Union (CMU) and aims to enhance the attractiveness of EU capital markets. Specifically, it seeks to develop the CMU by reducing unnecessary bureaucracy and costs for companies, thereby encouraging them to list on and remain on EU capital markets, as well as facilitating easier access to capital for SMEs.

[Directive \(EU\) 2024/2810 on multiple-vote share structures in companies that see admission to trading of their shares on a multilateral trading facility](#)

Date of entry into force: 04/12/2024

Date of application: 05/12/2026

Directive (EU) [2024/2810](#), concerning multiple-vote share structures in companies seeking admission to trade their shares on a multilateral trading facility, has been published in the Official Journal. As part of the Listing Act package within the Capital Markets Union (CMU), the Directive aims to enhance the attractiveness of EU capital markets. It establishes a minimum level of harmonisation across the EU, removing barriers for SMEs with multiple-vote structures to access SME growth markets and other multilateral trading facilities that trade SME shares. The Directive also safeguards the rights of shareholders with fewer votes per share by implementing measures to ensure key decisions at general meetings are fairly made, while enhancing transparency for companies with multiple-vote share structures to help investors make informed decisions.

Securities & Markets (3)

Directive (EU) 2024/2811 amending MiFID II to make public capital markets in the Union more attractive for companies and to facilitate access to capital for SMEs and repealing the Listing Directive

Date of entry into force: 04/12/2024

Date of application: 06/06/2026

Directive (EU) [2024/2811](#), which amends MiFID II to enhance the attractiveness of EU capital markets for companies and facilitate access to capital for SMEs, while repealing the Listing Directive, has been published in the Official Journal. As part of the Listing Act package within the Capital Markets Union (CMU), the Directive aims to make EU capital markets more appealing. Specifically, it seeks to simplify the rules for companies undergoing the listing process or already listed on EU public markets. The Directive aims to ease administrative burdens and reduce costs for companies, especially SMEs, while maintaining transparency, investor protection, and market integrity.

ESMA: Guidance on exclusion criteria for the selection of Consolidated Tape Providers

ESMA published [Guidance](#) on the exclusion criteria for selecting Consolidated Tape Providers (CTPs). The selection process for the CTP for bonds will begin on Friday, 3 January 2025. In the first stage of the procedure, the exclusion criteria will be used to determine whether applicants can proceed to the second stage and submit their applications. ESMA will require specific documentation from applicants, including a declaration of honor and valid evidence related to the exclusion criteria. The publication also provides an indicative overview of the relevant certificates issued by each EU Member State as evidence. Further details can be found in the Guidance and on the eCertis webpage.

IOSCO: Final report on Post-trade Risk Reduction Services

IOSCO published its [final report](#) on Post-Trade Risk Reduction Services (PTRRS), which discusses the potential policy considerations and risks linked to the use and provision of PTRRS. The report outlines seven sound practices as guidance for IOSCO members and regulated PTRRS users. These practices address the following areas: (i) transparency, governance, clarity, and fairness of the algorithm; (ii) operational risk; (iii) data integrity, security, and regulatory data; (iv) legal certainty; (v) considerations of potential counterparty risk for IOSCO members and PTRRS users; (vi) market concentration and competition; and (vii) standardisation and predictability of processes and file formats. These practices aim to enhance and complement existing market practices. The report is based on the results of the public consultation launched in January 2024.

Securities & Markets (4)

ESMA: Final Report on technical advice on CSDR penalty mechanism

ESMA published its [final report](#) on the technical advice regarding the penalty mechanism under the Central Securities Depositories Regulation (CSDR). The report aims to encourage all participants in the settlement chain to enhance settlement efficiency, especially in light of the potential shift to T+1 settlement in the EU. ESMA's advice focuses on three key areas to improve the application of the CSDR penalty mechanism: (i) alternative parameters for calculating penalties when the official overnight credit interest rate from the central bank issuing the settlement currency is unavailable; (ii) the treatment of historical reference prices in calculating penalties for late matching fails; and (iii) the design and level of penalty rates for different asset classes. ESMA suggests maintaining the current penalty mechanism's structure, with no major changes to penalty calculation methods, while introducing a moderate increase in penalty rates, aligned with the existing settlement fail types and targeting most asset classes.

The EC will consider ESMA's technical advice when revising Commission Delegated Regulation (EU) 2017/389. The revised penalty mechanism will come into effect once the amended regulation is adopted by the European Commission, reviewed by the European Parliament and the Council of the EU, and published in the Official Journal.

ESMA: Report on the assessment of the shortening of the settlement cycle in the EU

ESMA published a [report](#) evaluating the potential move to a T+1 settlement cycle in the EU. The report emphasises that the increased efficiency and resilience of post-trade processes resulting from a shift to T+1 would help enhance settlement efficiency in the EU, support market integration, and contribute to the objectives of the Savings and Investment Union. ESMA recommends that the transition to T+1 be implemented simultaneously across all relevant instruments, with the target date set for Q4 2027. Given various considerations, including the challenges of launching such a large-scale project in November and December, as well as the difficulties associated with the first Monday of October (just after the end of a quarter), ESMA proposes 11 October 2027 as the ideal date for the transition to T+1 in the EU. ESMA also advocates for a coordinated approach with other European jurisdictions.

In terms of costs and benefits, ESMA's assessment suggests that moving to T+1 will deliver significant advantages for EU capital markets, including risk reduction, margin savings, and alignment with other major global markets, addressing the misalignment currently faced. However, the transition will also pose challenges, such as the need to amend the Central Securities Depositories Regulation and the settlement discipline framework to ensure legal clarity and facilitate necessary improvements in post-trade processes. All stakeholders in the financial system will need to collaborate on harmonisation, standardisation, and modernisation efforts to enhance settlement efficiency. This will require investment, and due to the complexity of the EU capital markets, the project will need specific governance to ensure its success.

Securities & Markets (5)

ESMA:
Consultation on a report on conditions of the active account requirement

ESMA launched a [consultation](#) on the conditions for the Active Account Requirement (AAR) following the review of EMIR 3. The amended Regulation introduces a new obligation for EU counterparties engaged in certain derivatives to maintain an operational and representative active account at a Central Counterparty (CCP) authorized to provide services and activities within the EU. ESMA is seeking feedback from stakeholders on several key aspects of the AAR, including: (i) the three operational conditions to ensure that the clearing account is genuinely active and functional, including stress-testing; (ii) the representativeness requirement for the most active counterparties; and (iii) the reporting obligations to evaluate compliance with the AAR.

Council of the EU: Adoption of the EMIR 3 packages

The Council of the EU adopted a Regulation amending EMIR, the CRR, and the Money Market Funds Regulation to address measures for mitigating excessive exposures to third-country central counterparties and improving the efficiency of Union clearing markets ([EMIR 3](#)). Additionally, a Directive amending the UCITS Directive, the Capital Requirements Directive, and the Investment Firms Directive has been adopted, focusing on the treatment of concentration risk from exposures to central counterparties and counterparty risk in centrally cleared derivative transactions.

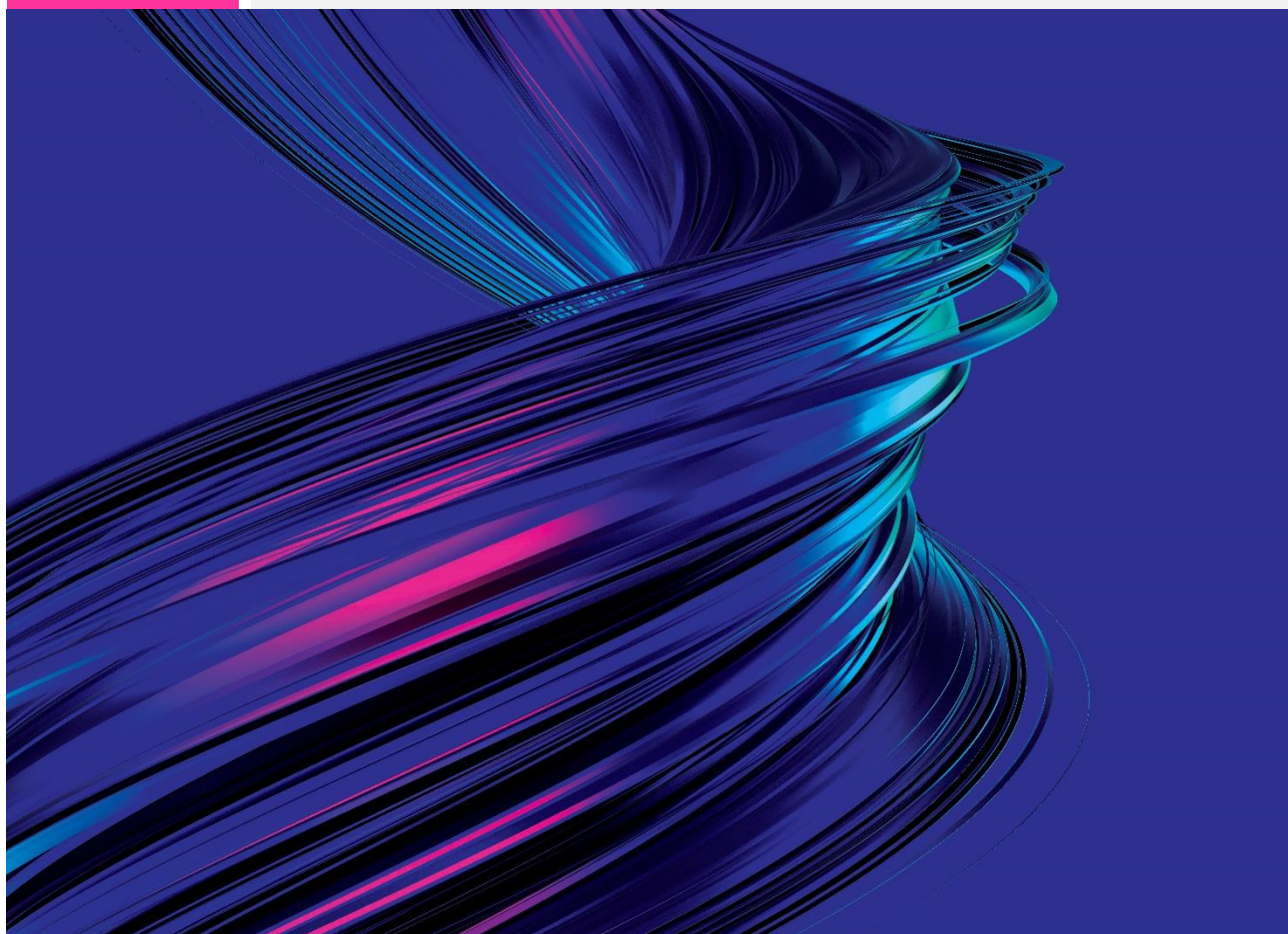
The legislation will be published in the Official Journal (OJ) and will enter into force 20 days thereafter. EMIR 3 will apply from this date, with certain provisions taking effect only once specific technical standards are in force. Member States are expected to implement the amending Directive within 18 months from its entry into force.



Payments (1)

EBA: Final report on two sets of Guidelines on internal policies, procedures and control to ensure the implementation of Union and national restrictive measures.

The EBA published two sets of [final Guidelines](#), establishing common EU standards for the governance arrangements, policies, procedures, and controls that financial institutions must implement to comply with Union and national restrictive measures. The first set of Guidelines applies to all institutions under the EBA's supervisory scope. They include provisions to ensure that financial institutions' governance and risk management systems are robust enough to mitigate the risk of violating or circumventing restrictive measures. The second set of Guidelines specifically targets Payment Service Providers (PSPs) and Crypto-Asset Service Providers (CASPs), outlining the steps they must take to comply with restrictive measures when conducting transfers of funds or crypto-assets.



Sustainable Finance

Council of the EU: Adoption on new Regulation on ESG rating activities

The Council of the EU adopted the [proposed Regulation](#) on ESG rating activities. The new rules aim to enhance the reliability and comparability of ESG ratings by improving the transparency and integrity of ESG rating providers' operations and addressing potential conflicts of interest. Specifically, ESG rating providers established in the EU will be required to obtain authorisation and be supervised by ESMA. They will also need to meet transparency requirements, particularly regarding their methodologies and information sources. The Regulation introduces a principle of business and activity separation to avoid conflicts of interest. The European Parliament approved the proposed Regulation in October.

The Regulation will be published in the Official Journal (OJ), enter into force 20 days later, and apply 18 months after its entry into force.

ESAs/ ECB: Report on “Fit-For-55” climate scenario analysis

The ESAs, in collaboration with the ECB, released the results of the one-off [“Fit-For-55”](#) climate scenario analysis. The findings suggest that transition risks alone are unlikely to pose a threat to financial stability. However, when combined with macroeconomic shocks, these risks can amplify losses for financial institutions and potentially cause disruptions. This highlights the need for a coordinated policy approach to financing the green transition and underscores the importance for financial institutions to integrate climate risks into their risk management frameworks in a comprehensive and timely manner.

EC: FAQs on sustainability reporting provisions in CSRD and SFDR

The EU Commission released a set [of FAQs](#) to provide clarification on the interpretation of specific provisions related to sustainability reporting, introduced by: (i) the CSRD in the Accounting Directive, the Audit Directive, the Audit Regulation, and the Transparency Directive; (ii) the SFDR; and (iii) the initial set of European Sustainability Reporting Standards (ESRS).

EC: Notice on interpretation of certain legal provisions in several regulations

The EU Commission issued a [notice](#) clarifying the interpretation of specific legal provisions in several regulations, including the Accounting Directive, the Audit Directive and Audit Regulation, the Transparency Directive, Delegated Regulation (EU) 2023/2772 on European Sustainability Reporting Standards, and the SFDR, with a focus on sustainability reporting. The notice specifically addresses the interpretation of certain provisions introduced by the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Sustainable Finance

EC: Notice for financial institutions on Disclosures Delegated Act under Taxonomy Regulation

The EU Commission (EC) published a [notice](#) providing guidance on the interpretation and implementation of certain provisions in the Disclosures Delegated Act regarding the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets. This Act supplements the EU Taxonomy Regulation, which establishes a framework to promote sustainable investment. The notice aims to offer additional interpretative and implementation support through FAQs, addressing financial undertakings' reporting of their KPIs under the Disclosures Delegated Act. The EC's goal is to help stakeholders comply with regulatory requirements in a cost-effective manner while ensuring the usability and comparability of reported information to scale up sustainable finance. The FAQs cover topics such as the scope of covered entities, consolidation of disclosures, taxonomy-assessment of exposures to individual undertakings and groups, verification of compliance with technical screening criteria, and adherence to minimum safeguards. Separate questions are also provided specifically for credit institutions and insurance and reinsurance undertakings.

Glossary

AIF Alternative Investment Fund (EU)

AIFMD Directive 2011/61/EU on Alternative Investment Fund Managers

AIFMs Alternative Investment Fund Managers

AML/CFT Anti-Money Laundering/Countering the Financing of Terrorism

CSRD Corporate Sustainability Reporting Directive

CySEC Cyprus Securities and Exchange Commission

EBA European Banking Authority

ECB European Central Bank

EIOPA European Insurance & Occupational Pensions Authority

EFAMA European Fund and Asset Management Association

ESG environmental, social, and governance

EMIR European Market Infrastructure Regulation

ESAs European Supervisory Authorities (EBA, EIOPA and ESMA)

ESMA European Securities and Markets Authority

ESRB European Systemic Risk Board EU European Union

ICT Information and Communication Technology

MiCA Regulation of the European Parliament and of the Council on markets in crypto-assets

MiFID Markets in Financial Instruments Directive

NCA National Competent Authority

RTS Regulatory Technical Standards

SFDR Sustainable Finance Disclosure Directive

OECD Organisation for Economic Co-operation and Development

OJ Official Journal

UCITS Directive directive 2009/65/EC on Undertakings for Collective investments in Transferable Securities

UCITS Undertakings for Collective investments in Transferable Securities (EU)



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