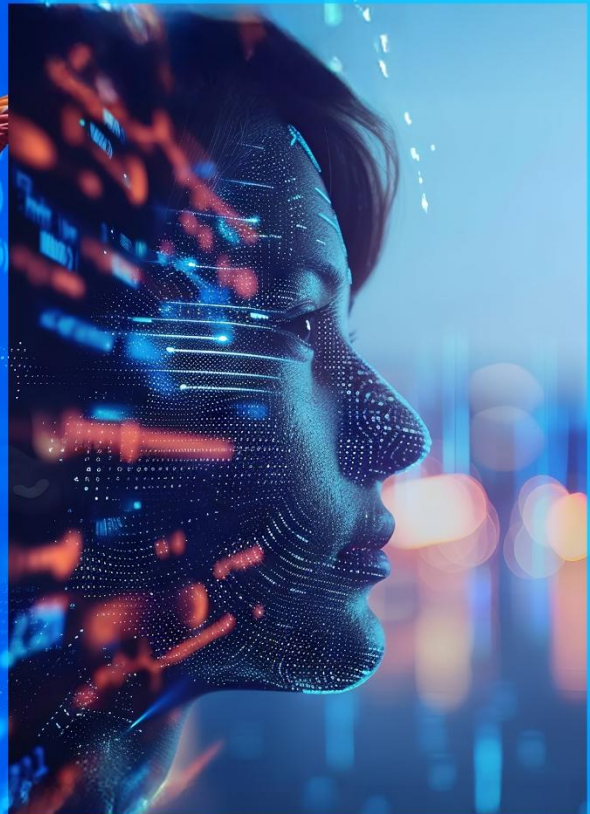




Regulatory Insights

Financial Services



SEPTEMBER 2026

Anti-Money Laundering

FATF highlights growing use of underground banking and hawala for money laundering

Publication date: 3 September 2026

What: The Financial Action Task Force (FATF) has published a [report](#) highlighting the growing role of underground banking, hawala and other similar service providers (HOSSPs) in professional money laundering. More than 80% of reporting jurisdictions identified these channels among the principal professional money laundering techniques.

Key points:

- Underground banking and HOSSPs are increasingly operating through professionalised, commercially structured and cross-border networks, enabling large volumes of value to be moved rapidly.
- The FATF highlights increasing links with the formal financial sector, including banks, fintech platforms, payment service providers, virtual IBANs, prepaid cards and virtual asset wallets.
- Nearly 70% of respondents identified the growing use of technology, including encrypted messaging, digital payments, virtual assets and purpose-built applications, as contributing to the emergence of “digital hawala”.
- The misuse of these channels extends beyond traditional cash-based crimes to include fraud, cybercrime, terrorist financing, illegal gambling and organised crime.
- The report also highlights the potential involvement of professional and other sectors, including lawyers, accountants, corporate service providers, real estate agents and casinos, in facilitating money laundering schemes.

Next steps:

- Financial institutions and other relevant firms should consider the FATF findings when assessing ML/TF risks associated with customers, payment channels, virtual assets and cross-border transactions.
- Firms should review whether existing transaction monitoring and customer due diligence controls are sufficiently sensitive to emerging digital and informal value-transfer methods.

 **Medium impact:** The report does not introduce new binding requirements, but highlights evolving money laundering typologies that may require firms to reassess their risk indicators, monitoring controls and understanding of informal and technology-enabled payment networks.

FATF highlights emerging financial crime risks in gaming and gambling

Publication date: 9 September 2026

What: The Financial Action Task Force (FATF) has published a new report and [risk indicators](#) highlighting emerging money laundering, terrorist financing and proliferation financing risks across the gaming and gambling sectors. The findings reflect input from more than 80 jurisdictions and cover casinos, gambling activities and video gaming.

Key points:

- The FATF identifies illegal and unlicensed gambling as a significant risk, with offshore operators potentially exploiting differences in regulatory requirements across jurisdictions.
- The growth of online, cross-border and multi-payment platforms has increased exposure to financial crime, with cash, e-wallets, mobile money and virtual assets presenting potential vulnerabilities.
- Criminals may use gambling platforms to move funds without actually gambling, make multiple small transactions to avoid detection, or place unusually large or coordinated bets.
- The FATF highlights risks linked to complex ownership structures and beneficial ownership arrangements, as well as the potential infiltration of operators by organised crime.
- New risk indicators cover customer, transactional and operational warning signs, including multiple accounts or payment methods, inconsistencies between customer and payment information, suspicious identity documents, unusual betting patterns and links to criminal activity.

Anti-Money Laundering (*continued*)

Next steps:

- Firms exposed to gaming and gambling activities should consider the new risk indicators when assessing ML/TF/PF risks and monitoring customer and transaction activity.
- Relevant firms should review whether existing AML/CFT controls adequately address risks arising from online platforms, multiple payment methods, virtual assets and complex ownership structures.

● **Medium impact:** The report does not introduce new binding requirements, but provides practical indicators that firms can use to strengthen their risk assessments, transaction monitoring and detection of suspicious activity within the gaming and gambling sectors.

Commission adopts Delegated Regulation on criteria for appointing central contact points for crypto-asset service providers

Publication date: 8 September 2026

What: The European Commission adopted a Delegated Regulation amending Delegated Regulation (EU) 2018/1108 to establish criteria for the appointment and functions of central contact points (CCPs) for crypto-asset service providers (CASPs). A CCP serves as a designated point of contact for host-state authorities, facilitating AML/CFT supervision, information exchange and cooperation where a CASP operates cross-border. The requirement is not automatically applicable to every CASP; appointment will depend on the criteria set out in the Regulation.

Key points:

- The Regulation sets criteria for determining when a CASP must appoint a CCP, particularly in the context of cross-border activities within the EU.
- The CCP acts as a link between the CASP and relevant host Member State authorities, supporting supervisory cooperation and access to information.
- It sets out the functions and responsibilities of the CCP and extends the existing framework under Delegated Regulation (EU) 2018/1108 to CASPs.

- The framework is intended to strengthen and harmonise the AML/CFT supervisory approach across financial sectors.
- The rules are based on technical standards developed by the EBA, following its [public consultation](#) conducted in 2024–2025 and the [final report](#) issued in April 2025.

Next steps:

- The Delegated Regulation will enter into force on the 20th day following its publication in the Official Journal of the EU.
- CASPs should assess whether they meet the criteria requiring a CCP and, where applicable, review their governance, AML/CFT arrangements and cross-border operating structure.

● **Medium impact:** CASPs meeting the appointment criteria may need to establish a formal central contact point and update related AML/CFT and governance arrangements. The measure does not require every CASP to appoint a CCP.



Anti-Money Laundering *(continued)*

AMLA finalises three key AML/CFT standards under the new EU AML framework

Publication date: 30 September 2026

What: The Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) has finalised three sets of draft Regulatory Technical Standards (RTS) under the new EU Anti-Money Laundering Regulation (AMLR). The standards cover customer due diligence, the identification of business and occasional transactions, and group-wide AML/CFT requirements. They are intended to provide more consistent expectations for obliged entities across the EU.

The final draft RTS have now been submitted to the European Commission. They will need to be adopted and published in the Official Journal before becoming applicable. AMLA has indicated that the standards are proposed to apply six months after entry into force.

Key points:

- [Customer due diligence](#), AMLR Article 28(1): The RTS provide more detail on the information and documents firms should obtain when carrying out CDD. They cover the application of CDD on a risk-sensitive and proportionate basis, including customer identification and verification, non-face-to-face relationships, electronic identification and enhanced measures where appropriate.
- [Business and occasional transactions](#), AMLR Article 19(9): The RTS set out criteria for determining when a customer relationship constitutes a business relationship or an occasional transaction, and when separate transactions should be treated as linked. This is important because linked transactions may otherwise be used to avoid CDD requirements or applicable thresholds. AMLA has not exercised its option at this stage to introduce additional lower thresholds for occasional transactions.
- [Group-wide requirements](#), AMLR Articles 16(4) and 17(3): The RTS clarify the minimum AML/CFT arrangements that groups must apply across their businesses, including governance, risk management, internal controls and information sharing. They also address subsidiaries and branches in third countries where local law may

prevent the full application of the EU framework.

- **Greater harmonisation:** The three standards are intended to reduce differences in how AML/CFT requirements are applied across Member States and provide more consistent expectations for both financial and non-financial obliged entities. AMLA states that the work reflects feedback received through consultations and discussions with supervisors and industry stakeholders.

Next steps:

- Firms should review the final draft RTS against their existing CDD, transaction assessment and group-wide AML/CFT frameworks and identify areas that may require changes once the standards become applicable.
- Firms with non-face-to-face onboarding or electronic identification processes should pay particular attention to the final CDD requirements and consider whether existing controls will meet the more detailed EU-wide expectations.
- Groups operating across several EU Member States or with subsidiaries and branches in third countries should assess the implications for group-wide policies, governance and information-sharing arrangements.
- Firms should continue to monitor the European Commission's adoption of the RTS and their subsequent publication in the Official Journal. The standards are not yet directly applicable.

● **Medium–High impact:** The RTS do not yet create new obligations for firms because they still need to be adopted by the European Commission and published in the Official Journal. However, they provide a clearer picture of how the new AMLR requirements will operate in practice and are likely to require updates to CDD procedures, transaction assessment, onboarding controls and group-wide AML/CFT frameworks. Firms should begin assessing the potential gaps.

Asset Management

EFAMA reports strong growth in European investment funds in Q2 2026

Publication date: 10 September 2026

What: The European Fund and Asset Management Association (EFAMA) has published [its European Quarterly Statistical Release for Q2 2026](#), reporting strong growth in European investment funds and continued investor demand, particularly for ETFs.

Key points:

- Total net assets of UCITS and AIFs increased by 8.4% during Q2 2026 to €27.51tn.
- UCITS and AIFs attracted €267bn in net inflows, comprising €245bn for UCITS and €21bn for AIFs.
- Long-term funds recorded €223bn in net inflows, led by bond funds (€94bn), multi-asset funds (€58bn) and equity funds (€46bn).
- UCITS ETFs attracted record net inflows of €117bn during the quarter.
- SFDR Article 8 funds attracted €86bn in net inflows, while Article 9 funds recorded modest net outflows of €0.3bn.
- European households increased their fund acquisitions to €98bn in Q1 2026, up from €68bn in Q4 2025, with Germany, Spain, Switzerland, Belgium and Italy among the largest contributors.

Next steps:

- Asset managers should continue to monitor shifts in investor demand across ETFs, fund categories and SFDR classifications, particularly given the continued strong demand for Article 8 funds and ETFs.
- Firms should consider the latest market trends when assessing product strategies, distribution channels and investor preferences.

 **Low impact:** The release does not introduce regulatory requirements. It provides market data indicating strong growth in European fund assets and inflows, with particularly strong

demand for ETFs and continued divergence in flows between SFDR Article 8 and Article 9 funds.

EFAMA reports moderate recovery in global investment fund flows in Q2 2026

Publication date: 22 September 2026

What: EFAMA's [latest international statistics](#) show a moderate recovery in global investment fund flows in Q2 2026, supported by stronger demand for long-term funds, bond funds and ETFs, alongside continued growth in global fund assets.

Key points:

- Global fund net assets increased by 10% to €89.7tn in Q2 2026; in US dollar terms, assets rose by 9% to \$102.2tn.
- Worldwide long-term funds attracted €708bn in net inflows, up from €668bn in Q1, led by the US (€337bn) and Europe (€221bn).
- Bond funds saw particularly strong demand, with €474bn of inflows, while equity funds attracted €124bn and multi-asset funds €47bn.
- Global ETFs attracted a record €562bn of net inflows, up from €494bn in Q1, with the US accounting for €467bn and Europe for €117bn.
- Money market funds also saw higher inflows, reaching €178bn, compared with €165bn in Q1.

Next steps:

- Fund managers should monitor continued shifts between equity, bond, multi-asset and money market funds, alongside the strong growth in ETF demand.
- These trends may also be relevant when considering product strategy, fund distribution and evolving investor preferences across key markets.

 **Low impact:** Market statistics only; no new regulatory requirements. The data highlights stronger global fund assets and inflows, particularly into bonds and ETFs, while regional and asset-class trends remain divergent.

Banking & Finance

EBA responds to the European Commission's non-adoption of technical standards on prior permission

Publication date: 9 September 2026

- **What:** The EBA has [acknowledged](#) the European Commission's decision not to adopt targeted amendments intended to shorten the processing period for applications seeking prior permission to reduce own funds and eligible liabilities instruments. The EBA will instead address the matter through a broader review of the relevant Regulatory Technical Standards (RTS).

Key points:

- The European Commission [decided](#) not to endorse the draft amending RTS submitted by the EBA on 19 March 2026.
- The amendments concerned Commission Delegated Regulation (EU) No 241/2014 on own funds and eligible liabilities requirements.
- The draft RTS sought to shorten the period available to competent and resolution authorities to assess prior permission applications.
- The EBA had proposed reducing the assessment period from four months to three months.
- The targeted amendments were intended to address concerns raised by the banking industry and competent authorities that the existing application process was unnecessarily lengthy.
- Following the Commission's non-adoption, the proposed shorter application period will not be introduced through these targeted amendments.
- The Commission has proposed that the issue be considered as part of a broader review of the applicable RTS.
- The EBA has confirmed that it will proceed with this broader review, with the objective of achieving further simplification and efficiency gains at a later stage.

Next steps:

- Institutions should continue to plan prior permission applications on the basis of the existing regulatory framework and applicable processing period.

- Banks contemplating reductions in own funds or eligible liabilities instruments should ensure that applications are prepared and submitted sufficiently in advance of the proposed transaction.
- Institutions should monitor the EBA's broader review for future amendments that may simplify the application process or shorten the applicable timelines.
- No immediate procedural changes are required solely as a result of this announcement.

 **Low impact:** The Commission's decision maintains the existing application process and does not introduce new requirements. The principal practical implication is that institutions will not benefit, at this stage, from the shorter assessment period proposed by the EBA and should continue to factor the current timeline into capital and eligible liabilities planning.



EBA publishes updated validation rules for supervisory reporting frameworks

Publication date: 14 September 2026

What: The EBA has published an [updated list of validation rules](#) as part of its regular quarterly review. The update identifies rules that have been deactivated due to inaccuracies or IT-related issues, as well as rules that have been reactivated.

Key points:

- Competent authorities are reminded that data submitted under the relevant ITS and Guidelines should not be formally validated against deactivated rules.
- The EBA has also released a small validation rules package comprising a micro taxonomy package and DPM validation rules update scripts, required from Release 4.0 onwards.
- Following the introduction of DPM 2.0, validation rules are now embedded directly in both the taxonomy and DPM, supporting greater consistency and traceability of reporting requirements.

Next steps:

- Institutions should ensure their reporting systems and validation controls reflect the latest status of EBA validation rules.
- For Release 4.0 onwards, institutions should incorporate the relevant taxonomy and DPM updates into their reporting processes.

 **Low impact:** The update does not introduce new reporting requirements but requires institutions to keep validation controls aligned with the latest EBA rules, particularly where rules have been deactivated or reactivated.

EBA publishes final Guidelines on third-party risk

Publication date: 18 September 2026

What: The EBA has published its [final Guidelines](#) on the sound management of third-party risks relating to non-ICT services. The Guidelines aim to establish a more proportionate and harmonised framework that takes into account the introduction of DORA and replaces the EBA's 2019 outsourcing guidelines.

Key points:

- The Guidelines focus on third-party arrangements supporting critical or important functions (CIFs) and clarify supervisory expectations around risk assessment, due diligence, contracting, subcontracting, monitoring, documentation and exit strategies.
- They apply to a broader range of financial entities, including CRD institutions, certain investment firms, payment and electronic money institutions, creditors under the MCD and issuers of asset-referenced tokens under MiCA.
- The Guidelines cover both EU and third-country third-party service providers (TPSPs) and aim to support competent authorities in identifying and managing concentration risks.
- The framework places emphasis on management body oversight, internal controls, written policies and effective identification, monitoring and mitigation of third-party risks.
- ICT services covered by DORA are excluded from the Guidelines. They apply to non-ICT services, including non-ICT services supporting CIFs.
- For EU branches of third-country credit institutions, the Guidelines provide for a proportionate approach, including alternative arrangements to document services provided by the head undertaking where a formal intra-group contract is not possible.

Next steps:

- In-scope institutions should review their existing non-ICT third-party arrangements, particularly those supporting CIFs, against the new requirements.
- Institutions should assess their governance, risk management, contractual and exit arrangements and ensure that their registers of non-ICT third-party arrangements are appropriately maintained.
- A two-year transitional period will allow firms to review and amend existing arrangements and update relevant documentation.

● **Medium impact:** The Guidelines broaden and harmonise expectations for non-ICT third-party risk management, with the greatest relevance for arrangements supporting critical or important functions. Institutions should distinguish these requirements from the ICT third-party risk requirements already addressed under DORA.

EBA identifies key priorities for the review of MiCA

Publication date: 24 September 2026

What: The EBA has published its [response](#) to the European Commission's [targeted consultation](#) on the review of the Markets in Crypto-assets Regulation (MiCA). The EBA considers the existing framework broadly appropriate but has identified areas where it could be strengthened and clarified as the crypto-asset market evolves.

Key points:

- The EBA recommends strengthening the framework for third-country multi-issuer stablecoin schemes, given the potentially significant risks they may pose.
- The EBA considers that the scope and definitions under MiCA should be clarified to support consistent classification of crypto-assets, reduce uncertainty and facilitate innovation.
- The EBA recommends considering regulation of crypto-asset lending, including activities involving decentralised finance (DeFi), in light of associated consumer risks.
- The EBA also calls for a review of the reporting framework for issuers and crypto-asset service providers to support effective supervision and risk monitoring.
- The EBA considers the existing requirements for issuers of asset-referenced tokens (ARTs) and electronic money tokens (EMTs) broadly appropriate, while recommending a review of certain reserve requirements.
- As of 1 September 2026, 39 EMTs had been issued under MiCA, while no ARTs had been authorised.

Next steps:

- The EBA will continue to support the European Commission's review of MiCA.
- Crypto-asset issuers and service providers should monitor the review, particularly

developments concerning stablecoins, crypto-asset classification, lending and reporting requirements.

- Any changes will depend on the European Commission's review and subsequent legislative process.

● **Medium impact:** The EBA's recommendations do not themselves change the MiCA framework, but they indicate potential areas for future regulatory amendments. Firms operating in stablecoins, crypto-asset lending, DeFi or cross-border crypto-asset activities should monitor the review closely.

ECB publishes updated guide to licence applications under CRR

Publication date: 18 September 2026

What: The European Central Bank (ECB) has published an [updated guide](#) to applications for authorisation as a credit institution under the Capital Requirements Regulation (CRR). The Guide replaces the 2019 version and covers applications for initial authorisations, bridge bank applications and licence extensions.

Key points:

- The Guide aims to make the licensing framework, assessment criteria and application process more transparent and easier to navigate, while promoting greater consistency across Single Supervisory Mechanism (SSM) jurisdictions.
- When assessing applications, the ECB and national competent authorities (NCAs) will consider factors including the proposed institution's size, complexity, business model and risk profile.
- The Guide provides practical guidance on navigating the applicable EU and national regulatory framework, including EBA technical standards and guidelines.
- The Guide is not legally binding and does not replace applicable requirements under EU or national law.

Next steps:

- Firms preparing a credit institution licence application should consider the updated Guide when developing and structuring their applications.

- Existing applicants may also wish to assess whether the updated guidance affects their approach to engagement with the ECB and the relevant NCA.
- The Guide will be reviewed periodically to reflect developments in supervisory practice, regulation and relevant CJEU case law.

Low impact: The updated Guide does not introduce new legally binding requirements, but provides greater clarity on the ECB's licensing process and assessment approach. It should be considered when preparing future licence applications.

Commission publishes delegated regulation on market risk requirements under the CRR

Publication date: 11 September 2026

What: Commission Delegated Regulation (EU) 2026/1221 was published in the Official Journal, introducing temporary targeted operational relief measures and multipliers for the calculation of institutions' own funds requirements for market risk under the CRR. The measures are intended to mitigate potential competitive disadvantages arising from differences in the implementation of the Basel Fundamental Review of the Trading Book (FRTB) across jurisdictions.

Key points:

- The Regulation introduces targeted adjustments to aspects of the FRTB framework, including the treatment of the profit and loss attribution test (PLAT), modellability of risk factors, expected shortfall calculations and certain default-risk and residual-risk requirements.
- A 0.9 multiplier is introduced for certain standardised market-risk capital requirements during the temporary period, alongside a bank-specific multiplier mechanism designed to limit material increases in capital requirements for eligible institutions.
- Additional relief applies to certain areas including collective investment undertakings, specified options, equity derivatives/cash hedges, EU ETS exposures and smaller trading books, subject to the conditions set out in the Regulation.
- The measures are temporary and apply from 1 January 2027 until 31 December 2029, while the underlying CRR/FRTB framework continues to apply.

- The Regulation entered into force on 12 September 2026 but its substantive amendments apply from 1 January 2027.

Next steps:

- Institutions with material trading-book exposures should assess the impact of the amendments on market-risk capital calculations, systems, models and reporting ahead of 1 January 2027.
- Institutions considering use of the targeted relief or bank-specific multiplier should review the applicable eligibility, notification, reporting and disclosure conditions.
- Firms should continue monitoring international FRTB implementation, as the temporary measures are intended to address competitive and implementation differences and expire at the end of 2029.

Medium impact: The Regulation provides targeted temporary relief but also changes the methodology for calculating market-risk own funds requirements. The main impact is expected for institutions with significant trading-book exposures and those preparing for FRTB implementation from January 2027.



Basel Committee reports stable capital and leverage ratios for large banks

Publication date: 23 September 2026

What: The Basel Committee on Banking Supervision (BCBS) has published its latest Basel III monitoring report, based on data as at 31 December 2025. The exercise shows broadly stable risk-based capital and leverage ratios for large internationally active banks, with limited movements in liquidity indicators.

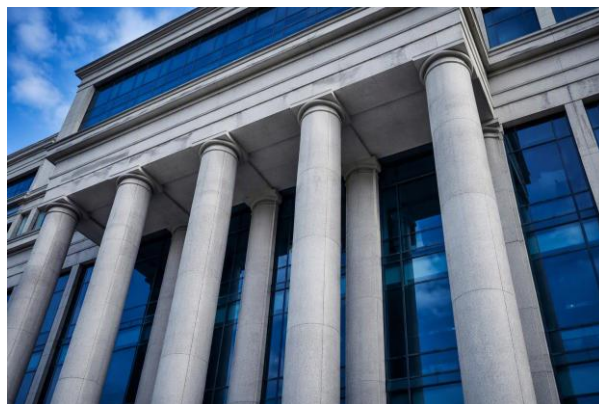
Key points:

- For Group 1 banks, risk-based capital and leverage ratios remained broadly stable compared with June 2025.
- The weighted average Liquidity Coverage Ratio (LCR) increased slightly to 136.6%, while the Net Stable Funding Ratio (NSFR) decreased slightly to 123.3%. All banks in the sample remained above the 100% minimum requirements.
- The fully phased-in final Basel III framework would result in an average 2.2% increase in Tier 1 minimum required capital (MRC) for Group 1 banks, compared with 1.7% in June 2025.
- The latest exercise covers 149 banks, including 106 large internationally active banks and 29 global systemically important banks (G-SIBs).
- The BCBS notes that the +2.2% MRC impact reflects a larger sample in the latest exercise and should not be directly compared with industry estimates.

Next steps:

- Banks should continue to monitor the impact of the fully phased-in Basel III framework, particularly as transitional arrangements are due to expire on 1 January 2028.
- Institutions should assess the potential impact of remaining Basel III implementation requirements on capital planning, liquidity and balance sheet management.

 **Low impact:** The latest monitoring exercise does not introduce new requirements and shows broadly stable capital and leverage positions. However, banks should continue preparing for the full implementation of Basel III reforms ahead of the 2028 end date for transitional arrangements.



Banking & Finance (continued)

ECON publishes draft report on the competitiveness of the EU banking sector

Publication date: 10 September 2026

What: The European Parliament's Committee on Economic and Monetary Affairs (ECON) has published a [draft report](#) and motion for a resolution on the competitiveness of the EU banking sector. The report welcomes the European Commission's July communication on banking competitiveness and calls for further legislative action to complete the Banking Union, remove unjustified national barriers to the Single Market and facilitate market-led cross-border consolidation.

Key points:

- ECON proposes broadening the mandates of the European Supervisory Authorities (ESAs) to include competitiveness and innovation as formal secondary objectives, while maintaining financial stability as their primary objective.
- The report calls for simplification of the capital framework, including reducing overlapping capital buffers and supervisory add-ons, and exploring a simpler regime for small, non-systemic banks.
- It proposes strengthening the SME supporting factor and increasing the threshold for exposures eligible for the factor.
- An omnibus legislative initiative is proposed to remove obsolete, duplicative or disproportionately burdensome requirements, including measures allowing the ESAs to challenge excessive national gold-plating.
- ECON supports greater use of AI by banks in areas such as creditworthiness assessments, fraud prevention and risk management, alongside clearer interaction between the AI Act and financial services legislation.
- The report also highlights the need for an appropriate regulatory framework for digital assets and tokenisation to support innovation and the EU's position in global finance.

Next steps:

- The European Commission is expected to present its detailed legislative reform package in Q1 2027.
- Banks should monitor developments

around capital requirements, regulatory simplification, cross-border consolidation, AI, digital assets and the completion of the Banking Union, while recognising that the proposals are not yet final legislation.

- **Medium impact:** The report does not introduce new binding requirements, but its proposals could lead to significant changes to the EU banking regulatory framework, particularly regarding capital requirements, proportionality, supervisory expectations and digitalisation.

Commission adopts delegated regulation on booking arrangements for third-country branches

Publication date: 17 September 2026

What: The European Commission has adopted a [Delegated Regulation](#) supplementing the Capital Requirements Directive (CRD) with regulatory technical standards (RTS) specifying the booking arrangements that third-country branches must apply under Article 48h. The requirements are intended to provide a consistent framework for how branches record and manage transactions and exposures booked through their EU operations.

Key points:

- The RTS establish requirements for the booking arrangements that third-country branches must apply when recording assets, liabilities and transactions under Article 48h CRD. Branches will need to maintain appropriate records and information to allow competent authorities to identify and monitor activities and exposures booked through the branch.
- The framework supports greater transparency, traceability and supervisory oversight of third-country branch activities within the EU.
- The requirements form part of the broader CRD framework for the supervision and risk management of third-country branches.

Next steps:

- The Delegated Regulation is due to be published in the Official Journal of the EU on 7 October 2026. It will enter into force on 27 October 2026 and apply from 11 January 2027.

- The RTS will apply from 11 January 2027. Third-country branches should review their existing booking, record-keeping and risk-management arrangements and prepare for compliance ahead of the application date.

🟡 **Medium impact:** The RTS introduce more detailed booking and record-keeping expectations for third-country branches, requiring potentially relevant firms to review systems, controls and governance arrangements before January 2027.

📰 **EBA consults on revised rules for joint decisions on banks' capital and liquidity requirements**

Publication date: 25 September 2026

What: The European Banking Authority (EBA) has launched a [public consultation](#) on revised Implementing Technical Standards (ITS) governing how supervisors jointly decide on institution-specific prudential requirements for cross-border banking groups. These requirements are additional capital, liquidity and supervisory measures that may be imposed on an individual institution based on its specific risks and supervisory assessment. The proposed changes aim to simplify the process, reduce duplication and align it with current supervisory practices and the revised Supervisory Review and Evaluation Process (SREP).

Key points:

- The revised ITS aim to support a more holistic and coordinated assessment of an institution's capital and liquidity needs, along with other prudential measures by supervisors participating in supervisory colleges.
- The current templates would be simplified and replaced with a single, reduced and integrated risk assessment report, reducing administrative and reporting burdens.
- The joint decision process would be aligned with the revised SREP framework and supervisory practices developed since the existing ITS were introduced in 2014.
- Qualitative supervisory measures would be more clearly incorporated into the process, alongside quantitative capital and liquidity requirements.

- The scope would be updated to explicitly cover Pillar 2 Guidance (P2G) and leverage-ratio-related Pillar 2 requirements and guidance, giving supervisors a more complete view of an institution's prudential position.

Next steps:

- Interested stakeholders can submit comments to the EBA by **4 January 2027 at 23:59 CEST**.
- The EBA will hold a virtual public hearing on **10 November 2026, from 10:00 to 11:00 CEST**. Banks and banking groups should monitor the final ITS and assess any changes to their supervisory reporting and SREP-related processes.

🟢 **Low impact:** The consultation does not introduce new capital or liquidity requirements at this stage. It mainly simplifies and updates the process supervisors use to determine institution-specific requirements, although the final changes may affect how banks engage with supervisory colleges and prepare SREP-related information.



EBA reports resilient EU/EEA banks amid continued geopolitical and macro-financial uncertainty

Publication date: 25 September 2026

What: The European Banking Authority (EBA) has published its [Risk Dashboard for Q2 2026](#), based on supervisory reporting data from EU/EEA banks. The dashboard shows that banks continue to have strong capital and liquidity buffers, growing lending, sound asset quality and high profitability. However, persistent geopolitical tensions, uncertain macroeconomic conditions, high asset valuations and growing AI-related financing require continued monitoring.

Key points:

- Capital and liquidity remain strong: The Common Equity Tier 1 (CET1) ratio stood at 16.1%, with around 430 basis points of headroom above regulatory capital requirements. The LCR was 158.5% and the NSFR 125.7%, both comfortably above the 100% minimum.
- Lending continues to grow: Loans to households increased 5.2% year-on-year, while lending to non-financial corporations grew 6.3%. Growth remains uneven across countries.
- Asset quality remains sound: The non-performing loan (NPL) ratio remained low at 1.8%, while the share of Stage 2 loans declined to 8.9%. Direct exposures to the IT sector represent around 4% of corporate lending, with no signs of deteriorating asset quality.
- Profitability remains high: Return on equity (ROE) increased to 11.3%, from 10.7% a year earlier, supported mainly by higher net interest income and loan growth. The net interest margin increased to 1.63%, while the cost-to-income ratio improved to 51.5%.
- Funding conditions remain favourable: Total deposits increased by 1.6%, driven mainly by a 2.3% increase in household deposits, despite temporary periods of market volatility.

- Risks remain elevated: Geopolitical tensions and difficult macroeconomic conditions could affect credit risk and bank operating costs. High asset valuations and the increasing concentration of AI-related financing are also areas requiring monitoring.

Next steps:

- Banks should continue monitoring capital, liquidity, credit quality and funding conditions, while maintaining sufficient buffers to absorb potential shocks.
- Institutions should assess exposures to geopolitical, macroeconomic and sector-specific risks, including potential vulnerabilities linked to high asset valuations and AI-related financing.

 **Low impact:** The Risk Dashboard does not introduce new regulatory requirements and confirms the overall resilience of the EU/EEA banking sector. However, the identified external risks reinforce the need for continued monitoring and prudent risk management.



EBA sets out its regulatory and supervisory priorities for 2027

Publication date: 30 September 2026

What: The EBA has published [its 2027 Work Programme](#), setting out its main regulatory, supervisory and operational priorities for the coming year. The Programme is structured around three drivers: improving efficiency, fostering resilience and supporting transformation.

Key points:

- The EBA will continue implementing the 2024 EU banking package, including the remaining regulatory work required to complete the revised prudential framework.
- Preparatory work will continue for the new EU payment services framework, alongside initiatives relating to crisis management and deposit insurance reforms.
- The EBA will further strengthen supervisory convergence and stress testing to support consistent supervisory practices and the resilience of the EU banking sector.
- Integrated reporting and data sharing will remain key priorities, with a focus on improving the efficiency and effectiveness of regulatory reporting.
- The EBA will continue its regulatory and supervisory work under the Digital Operational Resilience Act (DORA), the Markets in Crypto-Assets Regulation (MiCA) and the European Market Infrastructure Regulation (EMIR).
- In support of the European Commission's banking competitiveness agenda, the EBA will focus on proportionality, regulatory simplification and the reduction of unnecessary reporting and compliance burdens.
- The Programme also forms part of a broader medium-term strategy to develop the EBA's role as a next-generation regulator, support supervision in emerging areas and provide services to the EU supervisory and resolution community.

Next steps:

- Banks, payment institutions, electronic money institutions and other regulated firms should assess which EBA priorities are relevant to their activities and

incorporate expected regulatory developments into their 2027 compliance and implementation planning.

- Firms should continue preparing for the new payment services framework and monitor forthcoming EBA deliverables relating to DORA, MiCA, prudential regulation, supervisory convergence and regulatory reporting.
- Existing reporting processes and compliance frameworks should be reviewed to identify opportunities for simplification, while remaining sufficiently adaptable to accommodate new regulatory requirements.

 **Medium impact:** The Work Programme does not itself introduce new binding requirements. However, it provides an important indication of the EBA's regulatory and supervisory priorities for 2027 and can help firms anticipate forthcoming standards, guidance and implementation work.

Cybersecurity and Digital Resilience

Cyber Resilience Act reporting obligations become applicable

Publication date: September 2026

What: [Regulation \(EU\) 2024/2847 \(the Cyber Resilience Act – CRA\)](#) establishes a harmonised EU cybersecurity framework for products with digital elements, introducing cybersecurity requirements covering their design, development, maintenance and lifecycle. While the Regulation will generally apply from 11 December 2027, the provisions on conformity assessment bodies have applied since 11 June 2026, and mandatory vulnerability and incident reporting obligations became applicable on 11 September 2026.

Key points:

- From 11 September 2026, manufacturers must report actively exploited vulnerabilities and severe incidents having an impact on the security of products with digital elements.
- Mandatory notifications are submitted through the CRA Single Reporting Platform (SRP) operated by ENISA. The platform enables manufacturers to submit a notification once, with the relevant information made available to ENISA and the CSIRT designated as coordinator, which coordinates dissemination to other relevant national CSIRTs.
- The CRA introduces time-sensitive reporting requirements, including an early warning for an actively exploited vulnerability within 24 hours of becoming aware of it and a notification within 72 hours; severe incidents are subject to corresponding reporting timelines.
- For Cyprus, CSIRT-CY is the national CSIRT designated as coordinator and operates under the Digital Security Authority (DSA).

Next steps:

- Manufacturers within scope should assess whether their products constitute products with digital elements under the CRA and ensure that responsibilities for vulnerability and incident identification, escalation and reporting are clearly allocated.
- Firms should establish or review governance, incident response and

vulnerability-management procedures, including the ability to meet the CRA's short reporting timelines and use the SRP.

- Organisations should also plan for the wider CRA requirements that will apply from 11 December 2027, including the broader cybersecurity requirements applicable throughout the product lifecycle.

 **Medium impact:** The immediate reporting obligations create a new operational requirement for manufacturers within scope, requiring effective vulnerability management, incident escalation and regulatory reporting capabilities. The wider CRA compliance



ESMA proposes changes to make MiCA clearer, safer and better suited to emerging crypto-asset services

Publication date: 30 September 2026

What: ESMA has responded to the European Commission's consultation on the review of the Markets in Crypto-Assets Regulation (MiCA). ESMA proposes targeted changes intended to strengthen investor protection, support more consistent supervision and address emerging services such as decentralised finance (DeFi), staking, crypto-asset lending and borrowing.

Key points:

- ESMA proposes stronger safeguards for crypto-asset marketing, particularly where promotions involve influencers or other third parties, together with greater transparency regarding costs.
- Proportionate requirements are proposed for staking, lending and borrowing services, including disclosures covering risks, rewards, fees, collateral arrangements and potential losses.
- ESMA recommends stronger supervisory tools to address unauthorised services, fraudulent websites, suspected market abuse or terrorist financing, and services involving stablecoins that do not comply with MiCA.
- Third-country firms actively soliciting EU investors without the required MiCA authorisation may face enhanced supervisory scrutiny and enforcement measures.
- ESMA calls for clearer criteria to determine when an activity is genuinely decentralised and proposes a new regulated crypto-asset service for firms providing access to DeFi protocols.
- To promote consistent classification across the EU, ESMA recommends clearer rules for crypto-assets, including hybrid tokens, and the power to issue binding opinions on token classification.
- Proposed simplification measures include streamlining crypto-asset white paper notifications, reducing duplicative authorisation requirements for certain regulated firms and improving the consistency of prudential requirements.
- Looking beyond the immediate MiCA

review, ESMA also calls for an EU framework supporting tokenised securities, on-chain settlement and a more integrated European tokenised capital market.

Next steps:

- Crypto-asset service providers and other firms operating in or providing services into the EU should monitor the MiCA review and assess how the proposals could affect their business models, product offerings and cross-border activities.
- Firms offering or considering staking, lending, borrowing, DeFi access or services involving stablecoins should review their disclosures, governance arrangements and compliance frameworks in anticipation of possible future requirements.
- Firms should also review marketing arrangements involving influencers, affiliates or other third parties, as well as controls for identifying unauthorised cross-border solicitation and non-compliant products.

 **Medium impact:** ESMA's response does not itself amend MiCA or introduce new binding requirements. However, the recommendations indicate areas in which the EU framework may develop, particularly in relation to crypto-asset marketing, DeFi, staking, lending and borrowing, stablecoins, token classification and supervisory enforcement.

Eurosystem takes a major step towards tokenised wholesale markets with Pontes

Publication date: 21 September 2026

What: On 21 September 2026, the Eurosystem launched [Pontes](#), a new settlement solution designed to connect financial market platforms using distributed ledger technology (DLT) with Eurosystem payment infrastructure. In practical terms, Pontes allows the cash leg of certain tokenised transactions to settle in central bank money, while the tokenised asset itself can remain on a DLT-based platform. The launch is an important step in the Eurosystem's broader work on the future of tokenised wholesale finance. This work is being developed through two complementary initiatives: **Pontes**, which addresses the immediate connection between DLT platforms and central bank money, and [Appia](#), which considers how a wider European ecosystem for tokenised financial assets could develop.

Why it matters:

- **What is being tokenised?** Financial assets such as bonds, fund units and other securities can increasingly be represented and transferred using DLT. For example, a tokenised bond could be transferred on a DLT platform while the corresponding euro payment is settled through Eurosystem infrastructure.
- **What does Pontes do?** Pontes provides the connection between these two environments. It is designed to allow eligible DLT-based market platforms to access settlement in central bank money, helping address one of the key challenges in developing tokenised wholesale markets.
- **What is Appia?** Appia looks beyond this immediate connection. The Eurosystem published its Appia roadmap on 11 March 2026, setting out a longer-term vision for a more integrated European tokenised financial ecosystem. The work covers areas such as interoperability, common standards, collateral, resilience and international connectivity, with a broader blueprint expected in 2028.
- **Recent progress:** On 19 August 2026, the Eurosystem announced that 61 financial market stakeholders and public-sector

institutions had been selected to participate in the Appia contact group. The group began its work in September and will contribute to the development of the Appia vision as well as the evolution of Pontes.

- **What happens next?** Pontes is expected to develop further over the coming years, including through additional functionality and longer operating hours. Appia will continue to shape the longer-term architecture and standards for tokenised wholesale markets.
- **What this means for firms:**
 - This is primarily a wholesale market infrastructure development, rather than a new set of rules for retail customers or crypto-assets.
 - Firms involved in securities issuance, investment funds, custody, trading, settlement or market infrastructure should monitor the development of tokenisation and consider how it could affect their technology, settlement and operating models.
 - Firms should also keep developments in interoperability and standards under review, particularly where they use or provide services connected to DLT-based market infrastructures.
 - No immediate implementation programme is required for every institution. The relevance of Pontes and Appia will depend on a firm's activities and exposure to tokenised wholesale markets.

 **Medium impact:** Pontes does not introduce new regulatory requirements. Its launch on 21 September 2026, however, shows that the Eurosystem is moving beyond experimentation and towards the practical use of DLT in financial-market settlement. Firms active in relevant markets should monitor Pontes and Appia as the related infrastructure and standards develop

Payment Institutions and Electronic Money Institutions

CBC introduces new licensing process for payment and electronic money institutions

Publication date: 31 July 2026

What: The Central Bank of Cyprus (CBC) is introducing a new pre-application exploratory stage for entities seeking authorisation as payment institutions (PIs) or electronic money institutions (EMIs), effective from 3 August 2026. The stage is intended to provide the CBC with an early understanding of the proposed business model and give applicants greater clarity on its licensing expectations, based on the EBA Guidelines on authorisation under PSD2.

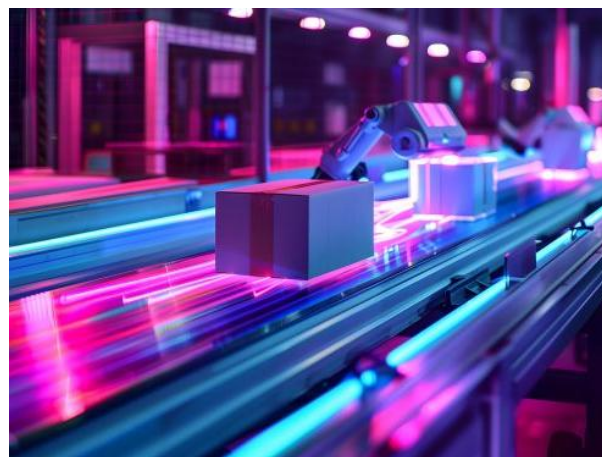
Key points:

- Interested entities must complete the [Pre-Application Document](#) (PAD) and submit it by email to the CBC Licensing Section, together with proof of payment of the non-refundable €5,000 fee.
- The PAD requires information covering the proposed authorisation and payment/e-money services, rationale for seeking authorisation in Cyprus, competitive proposition, shareholding and UBO structure, group structure, governance and key function holders, business model and proposed outsourcing arrangements. Shareholder/UBO and group information must be provided as appendices where applicable.
- The CBC will conduct a preliminary, risk-based assessment of the information provided, including the reputation of the entity's UBOs and, where relevant, the wider group and the risk level of the proposed business model.
- Where considered necessary, the CBC may request an Enhanced Due Diligence Report on the UBOs and connected entities from an independent third party. The report may be provided by the entity or obtained directly by the CBC, with the cost borne by the entity where the CBC commissions it.
- The preliminary assessment must generally be completed within 30 working days of submission, extending to 50 working days where enhanced due diligence is required.
- Following the assessment, the CBC will invite the UBO(s) and relevant

representatives to an initial meeting and provide feedback on any preliminary concerns or areas to address before a formal licence application is submitted. Completion of this stage does not constitute approval of a subsequent application.

- Separately, the formal licensing application fee increases from €5,000 to €10,000, and inactive applications may be deemed withdrawn following a predefined period of non-response to CBC requests or comments.

 **Medium impact:** The new process adds a substantive pre-application assessment, documentation and a non-refundable fee, while giving prospective applicants an opportunity to identify potential licensing concerns at an early stage. The increased application fee and potential enhanced due diligence also increase the overall cost and preparation required for authorisation.



Securities & Markets

ESMA consults on disclosure requirements and updates guidelines and Q&As under the Prospectus Regulation

Publication date: 9 September 2026

What: ESMA has published a package of measures under the Prospectus Regulation to reflect the amendments introduced by the Listing Act. The initiative aims to enhance supervisory convergence, simplify disclosure requirements and reduce regulatory burdens for issuers and market participants.

Key points:

- ESMA has launched a [consultation](#) on proposed updates to its Guidelines on disclosure requirements under the revised Prospectus Regulation.
- The proposed amendments are intended to clarify disclosure expectations for issuers and their advisers and remove guidance that is no longer necessary.
- Stakeholders are invited to submit comments on the consultation by **9 November 2026**.
- ESMA expects to publish the Final Report and updated Guidelines during **Q2 2027**.
- [Updated Q&As](#) have been issued to align references with the amended Prospectus Regulation, provide additional clarifications and remove obsolete guidance.
- ESMA has published an overview document explaining the key changes introduced in the revised Q&As.
- A [Final Report on Guidelines for supplements introducing new securities into a base prospectus](#) ("product supplements") establishes a common supervisory approach for assessing such supplements.
- The product supplement Guidelines aim to provide greater legal certainty for issuers and a consistent assessment framework for national competent authorities.
- The Guidelines on product supplements will apply once translations into all official EU languages are available.
- ESMA has also published a [Final Report containing regulatory technical standards \(RTS\) on key financial information to be included in prospectus summaries](#).
- The RTS align prospectus summary disclosure requirements with the reforms introduced by the Listing Act and support

more proportionate disclosure obligations.

- ESMA has submitted the RTS to the European Commission for consideration and adoption.

Next steps:

- Issuers, offerors, advisers and other market participants should assess the consultation proposals and consider whether to submit feedback before the November 2026 deadline.
- Firms involved in prospectus preparation should monitor the finalisation of the updated Guidelines and RTS, as these will shape future disclosure expectations and summary requirements under the revised Prospectus Regulation.
- National competent authorities will also begin preparing for the implementation of the new supervisory framework once the measures are finalised.

 **Medium impact:** The measures form part of the EU Listing Act reforms and are intended to simplify prospectus disclosure requirements while improving consistency across Member States. Issuers and advisers should monitor the consultation outcome and forthcoming RTS adoption, as the changes are expected to affect prospectus drafting, disclosure practices and regulatory review processes across EU capital markets.



ESMA warns that strong investor optimism may be masking market vulnerabilities

Publication date: 10 September 2026

What: ESMA has published its [second Risk Monitoring Report of 2026](#), identifying the principal risks and vulnerabilities affecting EU financial markets. Although markets have remained resilient, ESMA warns that elevated technology valuations, geopolitical tensions, persistent inflation and weaker economic growth have increased the risk of abrupt market corrections.

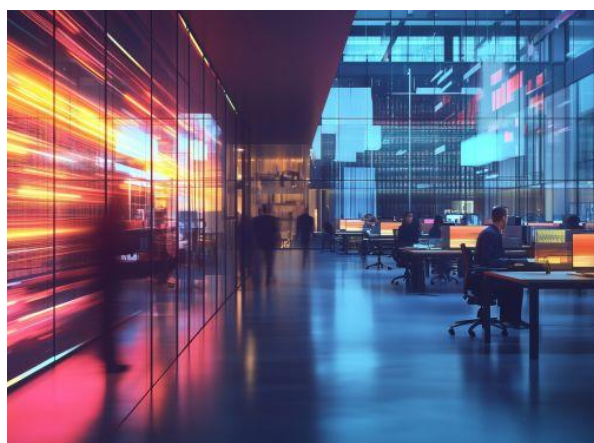
Key points:

- Strong performance in technology and AI-related sectors has supported a rapid recovery in investor confidence and market valuations.
- ESMA warns of a growing disconnect between deteriorating macro-financial conditions and optimistic market valuations.
- A sudden change in investor sentiment or the materialisation of economic risks could lead to abrupt market corrections.
- Equity markets recovered following the initial market disruption caused by the Middle East conflict, but elevated valuations remain a concern.
- Sovereign bond yields and spreads increased, while bond market volatility remained elevated despite broadly stable EU credit quality indicators.
- Risks in private credit require close monitoring due to limited transparency, increasing interconnectedness and exposure to the US market.
- Growing links between crypto-asset markets and the broader financial system could increase the risk of market spillovers.
- Central counterparties continued to operate effectively during periods of market stress, although settlement systems experienced a temporary increase in failed transactions in early April.
- Cyber and operational risks are evolving as frontier AI technologies create new threats for market infrastructures and key market participants.
- Fund flows and investment performance remained positive, with available asset management risk indicators remaining broadly stable.
- Valuation risk continues to affect most fund categories, while interest rate and credit risks are becoming more significant.
- Digital investment platforms are improving retail access to financial markets but may also facilitate speculative trading and impulsive investment decisions.
- Social media exposure and gamification features may contribute to uninformed or short-term investor behaviour.
- EU IPO and follow-on issuance activity remained subdued, while corporate bond issuance remained strong and refinancing risks increased.
- ESG market sentiment continued to be affected by climate policy tensions and energy security concerns, although renewable energy and transition-focused funds attracted inflows.
- Tokenisation of equities remains at an early stage, while risks associated with decentralised finance, AI-related investments and emerging technologies continue to develop.

Next steps:

- Fund managers and investment firms should continue to assess whether portfolio valuations, liquidity arrangements and stress-testing frameworks remain appropriate under severe but plausible market correction scenarios.
- Firms should monitor concentrations and exposures to highly valued technology and AI-related sectors, private credit, crypto-assets and other less transparent or interconnected markets.
- Risk management frameworks should take account of heightened geopolitical, interest rate, credit, liquidity, cyber and operational risks.
- Firms offering services through digital platforms should continue to assess whether product design, communications and platform features could encourage speculative or impulsive retail investor behaviour.
- Market participants should monitor ESMA's risk assessments, as the identified vulnerabilities may inform future supervisory priorities and regulatory scrutiny.

● **Medium impact:** The report does not introduce new regulatory requirements, but it highlights areas likely to remain under supervisory attention, particularly valuation, liquidity, stress testing, private credit, digital investor behaviour and technology-related operational risks. Fund managers and investment firms should consider the findings when reviewing their risk management arrangements and assessing their ability to withstand abrupt market corrections.



Sustainability

ECON advances proposed changes to the SFDR framework

Publication date: 15 September 2026

What: The European Parliament's Committee on Economic and Monetary Affairs (ECON) has adopted its [report](#) on the proposed SFDR 2.0, supporting changes intended to simplify sustainability disclosures, reduce administrative burdens and make sustainable investment products easier for investors to understand and compare. The report forms part of the ongoing legislative process and does not yet constitute final EU law.

Key points:

- ECON supports a move away from the current Article 6/8/9 approach towards a simpler product categorisation framework, with sustainability-related categories intended to provide clearer information on the characteristics and objectives of financial products.
- The proposed framework seeks to make retail-facing disclosures shorter and more accessible, while reducing unnecessary entity- and product-level reporting requirements and associated compliance costs.
- The reforms would also amend the PRIIPs framework, with the aim of improving consistency between sustainability disclosures and the information provided to retail investors.
- The wider review responds to concerns that SFDR disclosures have become complex and that the existing framework has effectively been used as a de facto product labelling system, contributing to investor confusion and greenwashing risks.
- ECON's report now provides the basis for the Parliament's position in the ongoing **ordinary legislative procedure**. The European Parliament has not yet adopted its final first-reading position, and negotiations with the Council remain ahead.

Next steps:

- Asset managers and other financial market participants should monitor the final positions of Parliament and the Council, particularly the proposed product categories, eligibility criteria and disclosure requirements.
- Firms should avoid treating the ECON proposals as final requirements, but may wish to assess the potential impact on product classification, sustainability disclosures, marketing materials, data requirements and existing Article 8/9 products.
- Firms should also monitor the eventual implementation timetable and any transition arrangements before making significant changes to existing SFDR frameworks.

 **Medium impact:** The proposals could materially change the current SFDR product classification and disclosure framework, but no immediate compliance changes arise from the ECON report itself. Firms should monitor the legislative process and consider potential implications for product governance, disclosures and data arrangements.



Revised European Sustainability Reporting Standards published in the Official Journal

Publication date: 21 September 2026

What: Two European Commission Delegated Regulations concerning sustainability reporting have been published in the Official Journal of the EU. [Delegated Regulation \(EU\) 2026/1563](#) introduces revised European Sustainability Reporting Standards (ESRS), while [Delegated Regulation \(EU\) 2026/1560](#) establishes voluntary sustainability reporting standards and a value chain cap for certain undertakings not subject to mandatory reporting under the Corporate Sustainability Reporting Directive (CSRD).

Key points:

- The revised ESRS are intended to make mandatory sustainability reporting simpler, clearer and more flexible, while maintaining the quality and usefulness of sustainability disclosures.
- According to the European Commission, the changes are expected to reduce companies' sustainability reporting costs by approximately 30%.
- Delegated Regulation (EU) 2026/1563 will enter into force on 10 November 2026 and will apply on a mandatory basis to financial years beginning on or after 1 January 2027.
- For financial years beginning during 2026, reporting undertakings may apply the existing ESRS, adopt the revised ESRS early, or apply the existing ESRS together with certain transitional reliefs from the revised standards. The sustainability statement must disclose which approach has been followed.
- Delegated Regulation (EU) 2026/1560 introduces a proportionate and standardised voluntary reporting framework for undertakings that are not subject to mandatory sustainability reporting under the CSRD.
- The voluntary standard is intended to help such undertakings respond more efficiently to sustainability information requests from financial institutions, larger businesses and other commercial partners.
- A value chain cap limits the sustainability information that may be requested from

undertakings in the value chain with 1,000 employees or fewer, helping to reduce the indirect or "trickle-down" reporting burden.

- Delegated Regulation (EU) 2026/1560 entered into force on 24 September 2026. The value chain cap will apply to financial years beginning on or after 1 January 2027.

Next steps:

- Undertakings subject to mandatory CSRD reporting should assess the revised ESRS and determine the appropriate reporting approach for financial year 2026, taking account of the available transitional options.
- Reporting processes, materiality assessments, data requirements, internal controls and sustainability statements should be reviewed and updated in preparation for mandatory application of the revised ESRS from financial year 2027.
- Undertakings outside the mandatory CSRD scope should consider whether voluntary reporting under the new standard would help them respond consistently and proportionately to requests from banks, investors, customers and other business partners.
- Larger reporting undertakings and financial institutions should review their sustainability information requests to smaller value chain partners to ensure readiness for the value chain cap applying from financial year 2027.

 **Medium–High impact:** The revised ESRS represent a significant simplification of the EU sustainability reporting framework and apply on a mandatory basis from financial year 2027. The voluntary standard and value chain cap should also reduce the indirect reporting burden for smaller undertakings, although affected businesses will need to review their reporting processes and information-request practices ahead of implementation.

Glossary

AIF – Alternative Investment Fund

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

AIFM – Alternative Investment Fund Manager

AMLA – Anti-Money Laundering Authority

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

Basel III – International regulatory framework for bank capital, liquidity and risk management

CASP – Crypto-Asset Service Provider

CCyB – Countercyclical Capital Buffer

CRD – Capital Requirements Directive

CRR – Capital Requirements Regulation

CSDDD – Corporate Sustainability Due Diligence Directive

CSDR – Central Securities Depositories Regulation

CTP – Consolidated Tape Provider

CySEC – Cyprus Securities and Exchange Commission

DeFi – Decentralised Finance

DLT – Distributed Ledger Technology

DORA – Digital Operational Resilience Act

EBA – European Banking Authority

ECB – European Central Bank

ECON – Committee on Economic and Monetary Affairs of the European Parliament

EDAP – European Data Access Portal

EFRAG – European Financial Reporting Advisory Group

EIOPA – European Insurance and Occupational Pensions Authority

EMIR – European Market Infrastructure Regulation

EMT – Electronic Money Token

ESA – European Supervisory Authority

ESAs – European Supervisory Authorities (EBA, EIOPA and ESMA)

ESG – Environmental, Social and Governance

ESMA – European Securities and Markets Authority

ESRS – European Sustainability Reporting Standards

ESRB – European Systemic Risk Board

EU – European Union

EuGB – European Green Bond

FATF – Financial Action Task Force

FIU – Financial Intelligence Unit

FRTB – Fundamental Review of the Trading Book

G-SIIs – Global Systemically Important Institutions

ICT – Information and Communication Technology

INTERPOL – International Criminal Police Organization

IRC – Incremental Risk Charge

IRB – Internal Ratings-Based Approach

IOSCO – International Organization of Securities Commissions

ITS – Implementing Technical Standards

MiCA – Markets in Crypto-Assets Regulation

MiFID II – Directive 2014/65/EU on Markets in Financial Instruments

MiFIR – Markets in Financial Instruments Regulation

MREL – Minimum Requirement for Own Funds and Eligible Liabilities

NBFI – Non-Bank Financial Institution

NCA – National Competent Authority

OECD – Organisation for Economic Co-operation and Development

OJ – Official Journal of the European Union

P3DH – Pillar 3 Data Hub

PSD3 – Third Payment Services Directive

PSR – Payment Services Regulation

RTS – Regulatory Technical Standards

RWAs – Risk-Weighted Assets

SFDR – Sustainable Finance Disclosure Regulation

SIU – Savings and Investments Union

SNCI – Small and Non-Complex Institution

SREP – Supervisory Review and Evaluation Process

SyRB – Systemic Risk Buffer

TLAC – Total Loss-Absorbing Capacity

UCITS – Undertakings for Collective Investment in Transferable Securities

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