Executive summary

European Financial Services Legislation

An integrated overview of the structure, interrelationships and development of European financial services regulation

This publication provides an integrated overview of European Financial Services Legislation and explains how directives, regulations, technical standards and guidelines together form the European regulatory and supervisory framework. It shows how the different components of the regulatory framework interact and the role played by the European Supervisory Authorities within that framework.

It also examines the development of the European supervisory system, the key strategic developments in Financial Services Legislation, and how new legislation builds on the existing regulatory framework. In doing so, the publication helps professionals place new developments within the broader structure and context of the European financial services legislative framework.

Financial Oversight Expertise

Opleidingen in en advisering over
financieel toezichtrecht

EU Financial Services Legislation – from Crisis Response to Integrated Supervision

Structure, key developments and strategic implications

2026

Cees Rensen

Content

Objective & Scope of this presentation

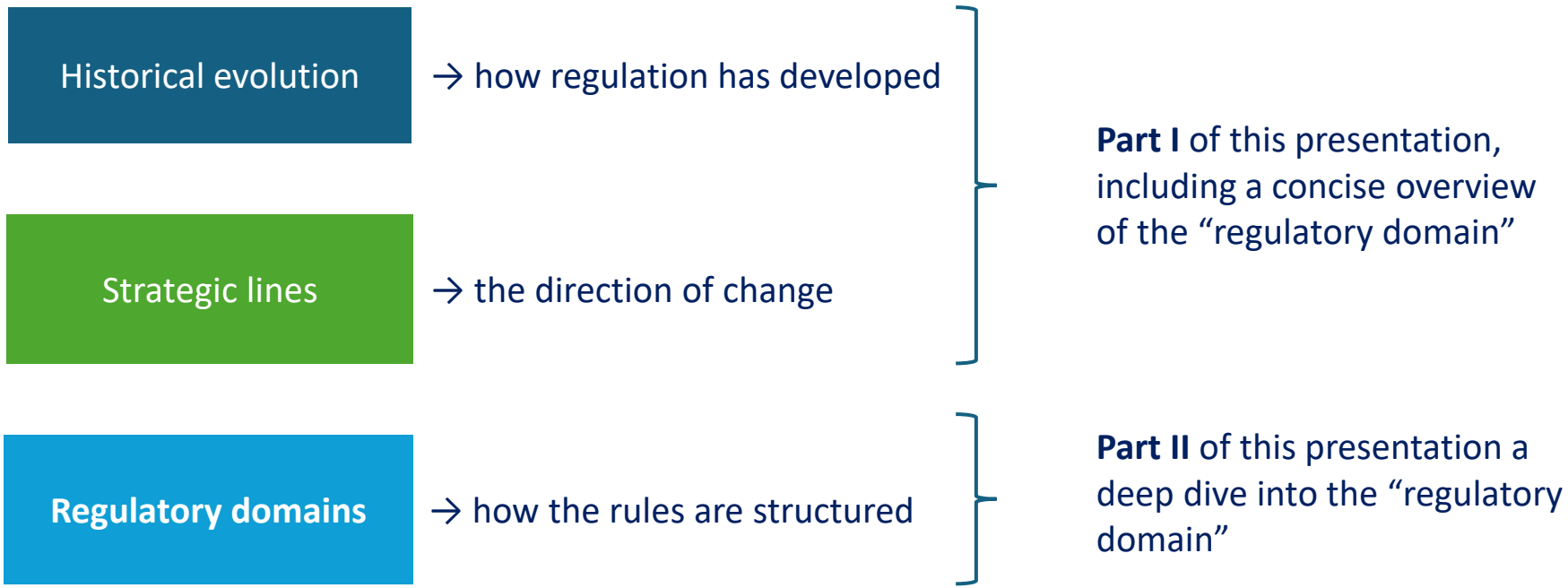
Objective: Provide a ***structured overview of EU financial services legislation***, Including the guidelines issued by the ESAs, explain ***key developments since the 2007 - 08 financial crisis***, and Introduce ***the shift towards integrated supervision***

Scope: The framework of ***financial services legislation*** included in:

- The European Commission's Overview of financial services legislation, including AI legislation (level 1/2)
- The Single Rulebooks of the EBA, ESMA, and EIOPA (level 3)

How to read this presentation - 1

This presentation combines three perspectives, which together explain today's regulatory landscape:



How to read this presentation - 2

Historical evolution - While focusing on post-crisis legislation, the regulatory landscape - notably in banking -was already evolving prior to the crash:

Basel I - 1988

- 8% risk weighted capital ratio, focused on credit risk

28 pages

Basel II - 2006

- 8% risk weighted capital ratio, focused on credit, market, operational and counterparty credit risk
- Use of internal models
- Introduction of the three-pillar structure

347pages

Basel III – 2013 - 2019

- 8% risk weighted capital ratio as under Basel II
- Leverage ratio
- Large exposure limits
- Liquidity standards – LCR and NSFR
- Capital buffers (macro prudential)
- Supervisory stress testing
- Revised Standardised Approach (SA)
- Introduction of output floors & reduced use of IRB
- Leverage Ratio G-SIB Buffer

616 pages (consolidated 1626 pages)

1. Post-financial crisis key developments:

Post-financial crisis key developments:

Key developments:	1. Post-crisis stabilisation	2. Banking Union	3. Capital Markets Union	4. Transformation
Key legislation:	• ESAs & ESRB • CRD IV / CRR • CRAR • EMIR • ESM	• SSM, SRM, BRRD, DGSD • EDIS (pending?) • CRD VI / CRR2	• MiFID II / MiFIR • Prospectus Regulation • Securitisation Regulation • AIFMD (hedge funds & private equity) • EuVECA, EuSEF, ELTIF, MMF • (Review) Solvency II • IFD/IFR • PSD2 / PSD3/ FIDAR • Market Integration & Supervision Package	• Sustainable finance – CSRD, CSFD, ESG risk management (CRD) • Digitalisation of finance – DORA, MiCA, AI-Act • AML/CFT 2021 package • Retail Investor protection - PRIIPS, RIS • Open banking / instant payments / open finance • CBDC (pending) • Simplification Omnibus packages (sustainability) & VII (digital)
	Focus: financial stability and resilience	**Focus:** break the bank-sovereign link	**Focus:** deepen & integrate EU capital markets	**Focus:** Expansion of regulation beyond traditional finance

Three takeaways regarding these key developments - 1

1. **The regulatory framework is evolving from Crisis Response to System Architecture**

2. **The regulatory landscape is evolving along three lines:**

    1. *Digitalization & data* → integration of AI, cyber, and data sharing into supervision

    2. *Strengthening Stability* → capital, resolution, and market infrastructure

    3. *Conduct & Integrity* → consumer protection and financial crime

Three takeaways regarding these key developments - 2

3. Regulation is no longer siloed but deeply interconnected, integrated regulation

Examples Takeaway 3:

Topic	Core regulation	Interconnections of the Core regulation	Key issue
1. ICT	DORA	With *CRD/CRR* (continuity risk), *outsourcing* (third party risk), *cybersecurity* (NIS2) and (again) *CRD/CRR* (internal governance)	ICT-risk has shifted from being an 'operational issue' to a core component of financial supervision
2. AI	AI Act	With *conduct* (consumer protection, bias), *prudential* (model risk), *AML* (fraud detection), and *data governance*	AI impacts compliance, risk and business models all at once

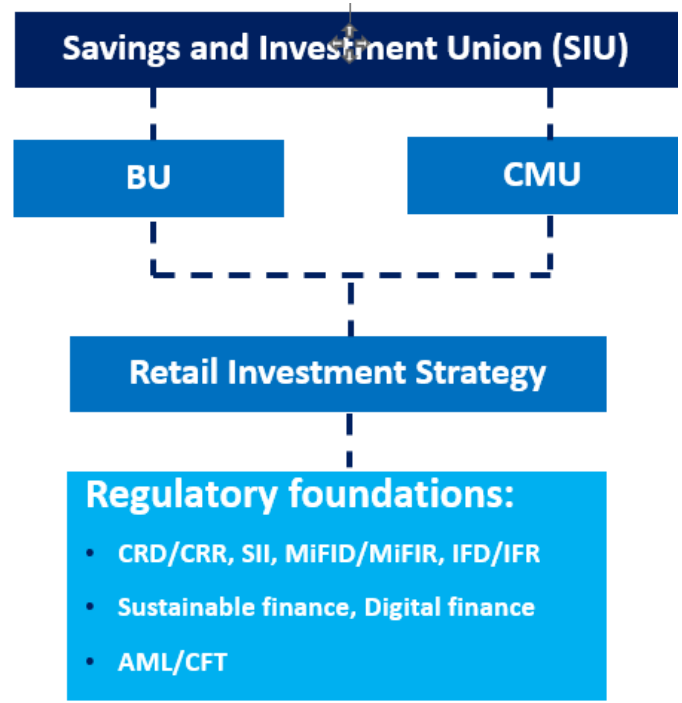
Three takeaways regarding these key developments - 3

Examples Takeaway 3 (continued):

Topic	Core regulation	Interconnections of the Core regulation	Key issue
3. ESG	SFDR/CSRD	With prudential (ESG-risk management), asset management (financial products), governance (of ESG-risk) & disclosure (CRR)	ESG has shifted from reporting to an integral risk area
4. AML	AML package	With prudential supervision (governance, SREP, risk management), Payments (transaction monitoring, AI (detection models), & Sanctions	AML is no longer just about compliance, but forms part of governance, risk management and financial stability

Three takeaways regarding these key developments - 4

Conclusion: Key regulatory themes now cut across multiple supervisory domains, requiring integrated oversight instead of silo-based approaches.
This approach is reflected in the financial sector's overarching policy architecture (see also slide 66)



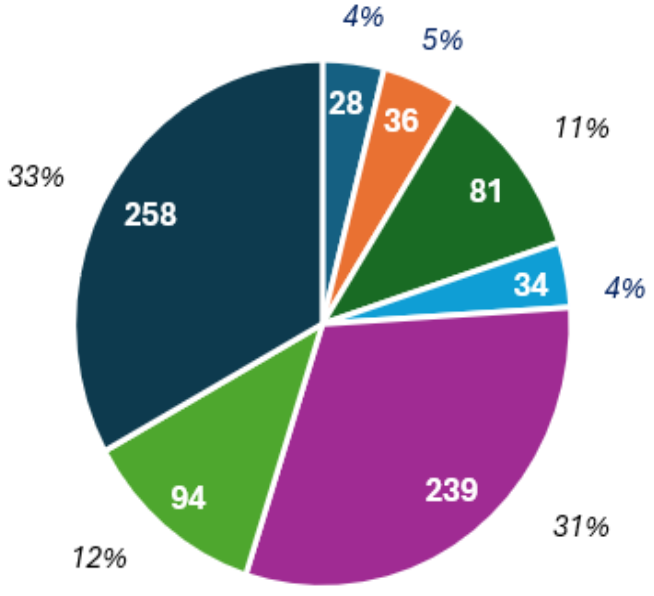
In the remainder of Block I, recent developments in key financial regulatory themes are outlined, structured by 6 domains (slide 18)

First, however, an overview of the scale of regulation resulting from these developments is provided

2. Structure and scope of financial services regulation

See also slide 66: Financial sector 'macro strategy' & 'overarching policy architecture'

But first: the scope of financial services legislation - 1[1]



28 Directives of the EP & Council	- 2018 pages
36 Regulations of the EP & Council	- 2842 pages
81 Delegated Acts	- 2352 pages
34 Implementing Acts	- 404 pages
239 Regulatory Technical Standards	- 3435 pages
94 Implementing Technical Standards	- 1773 pages
258 Guidelines of the ESAs	- 5640 pages
Total of 770 regulations	**Total of 18,454 pages**

[1] The ESA-Guidelines are included because Article 16, paragraph 3, of the ESAs' founding regulations stipulates that "The competent authorities and financial institutions shall make every effort to comply with those guidelines and recommendations." Therefore, applying these guidelines is not optional.

But first: the scope of financial services legislation - 2

Conclusions:

1. The EU financial regulatory framework is characterized by a high degree of decentralisation, resulting in institutional fragmentation

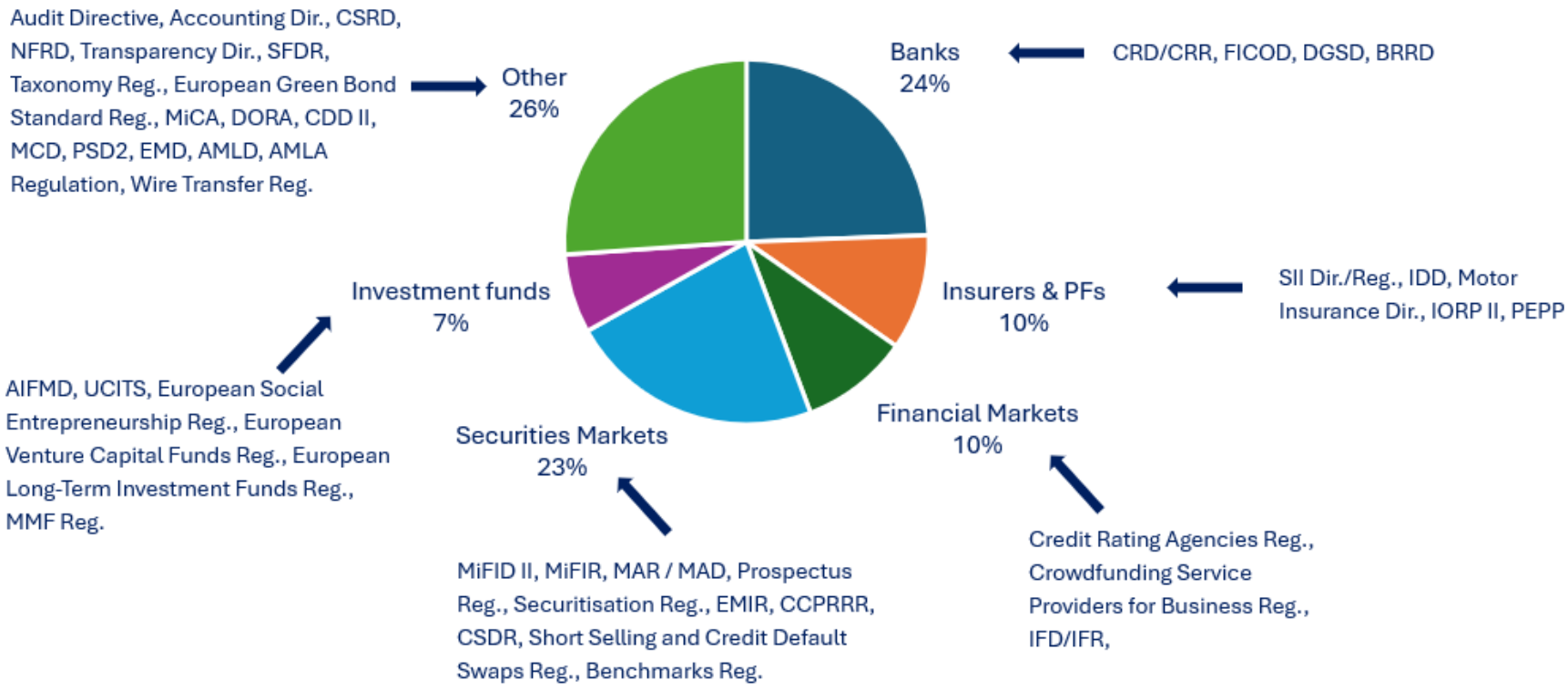
2. The European Parliament and the Council jointly account for only **9%** of formal legislative output

3. The European Commission adopts the majority of regulatory measures, **58%** (via secondary legislation - DA, IA, RTS, ITS)

4. The European Supervisory Authorities (ESAs):
   - Formally account for **33%** of regulatory output through guidelines.
   - Exercise substantially greater de facto influence by drafting the Commission's Delegated and Implementing Acts

5. In practice, the ESAs prepare approximately **91%** of all financial-sector regulation

And as regards the sectoral allocation of regulations - 1:



And as regards the sectoral allocation of regulations - 2:

Conclusions:

1. Sector-specific supervisory regulation within the EU is predominantly concentrated in the banking sector.

2. This concentration arises through two main channels:
   - **Directly**: Approximately 24% of regulatory provisions focus on financial soundness and resolvability
   - **Indirectly**: The wide scope of banking activities entails extensive regulation across adjacent domains, including inter alia Financial Markets, Securities Markets, and Regulatory frameworks classified (in slide 15) under “other”

3. Taken together, these domains account for the majority of regulatory requirements applicable to the financial sector.

4. Consequently, any analysis of regulatory complexity in the financial sector - and of potential measures to address such complexity - should primarily focus on the banking sector

3. Recent key issues in financial services legislation

From crisis response to system architecture

The six domains into which financial services legislation is structured are as follows:

1. Prudential & Financial Stability

- Basel III implementation (CRD6/CRR3)
- Review Solvency II & (Insurers) Recovery & Resolution Directive
- EMIR3, AIFMD & UCITS Directive
- EU banking competitiveness – integration, proportionality & simplification (2026)

2. Digital & Innovation

- DORA, MiCAR, PSD3/PSR, FIDA, EU IA Act, Instant Payments Regulation
- Data Act & Data Governance Act
- NIS 2 Directive

3. Conduct, Consumer & Markets

- Retail Investment Strategy (RIS)
- Consumer Credit Directive 2 (CDD2)
- Capital Markets Union (CMU) / Market Integration Package

4. Integrity, AML & Financial Crime

- Transfer of Funds Regulation
- Nieuwe inzichten DNB Integriteitstoezicht

5. Sustainable Finance

- SFDR (review), EU Taxonomy, & CSRD

6. Cross-cutting Simplification

- Simplification Omnibus Packages

This domain is accelerating the shift towards integrated regulation

CRD VI / CRR III - finalising Basel III package - 1

Basel III – 2013 - 2019

- 8% risk weighted capital ratio as under Basel II
- Leverage ratio
- Large exposure limits
- Liquidity standards – LCR and NSFR
- Capital buffers (macro prudential)
- Supervisory stress testing
- Revised Standardised Approach (SA)
- Introduction of output floors & reduced use of IRB
- Leverage Ratio G-SIB Buffer

Initial Basel III response

Finalising Phase (2025 and beyond) - focussing on how risk is measured to ensure banks aren't 'gaming' the system with their own models

CRD VI / CRR III - finalising Basel III package

Output floor:	• Minimum level for RWAs calculated using internal models to reduce excessive variability of bank's capital requirements calculated with internal models: **Output floor ≥** 72.5% of the RWAs calculated using the standardised approach
Restricting Internal Models	• Less freedom for banks to use Internal Models: not longer allowed for oprisk and limited for other risk categories
Revised SA	• Update for the SA methods for calculating credit risk, market risk and operational risk
New oprisk framework	• Introduction of a single SA, replacing the previous four methods
Leverage Ratio Buffer	• An additional capital buffer for G-SIBs of 50% of the G-SIB Surcharge (risk-based and ranging from 1.0 to 3.5%)

Additional (CRD VI) specific EU reforms:

ESG-risk provisions:	• ESG risk identification, disclosure and management becomes part of the prudential framework: banks must identify, assess, manage, and report ESG risks. These are incorporated into SREP and stress testing
Third country branch regime:	• Harmonising supervision of branches of third-country banks in the EU & introduction of the **Subsidiarisation Power** for regulators
Governance:	• Harmonised rules to tighten the “Fit & Proper” rules for bank management, including ‘key function holders’: conduct suitability assessment *before* managers take up their positions
Supervision:	• Strengthening supervision via harmonisation of supervisory powers and tools, e.g. better oversight of complex banking groups including fintech's

CRD VI interconnected with AML/CFT package

- **Supervisory cooperation EBA / AMLA -** mandatory information sharing between prudential and AML authorities

- **Fit & proper requirements** - An explicit AML dimension is added to several key prudential instruments, such as authorization, fit and proper tests: AML/CFT compliance failures can directly affect whether someone is considered “fit and proper”

- **SREP integration** – the SREP explicitly incorporates AML/CFT risks (operational and reputational risks): financial crime risk is now treated as a prudential risk, not just a compliance issue

- **Third country branches & group risk** – the stricter CRD VI rules for third country branches and for oversight of group-wide risks aligns with the AML package rules on cross-border AML supervision. Additionally, authorization can be withheld if there are reasonable grounds to suspect ML/TF risks at the head office or in the branch's proposed business model.

The underlying idea is that prudential and AML supervision are complementary and need to go hand in hand - AML risk has been “prudentialized”

And CRD VI (AML) interconnections with PARP

- **AML risk becomes a product risk** – AML risk must be embedded into product governance itself: strong PARP ensures that these products are correctly classified and that their risk profiles match the capital the bank is setting aside
- **Governance** – the management is accountable for risk oversight across all activities, including AML/CFT risk. If PARP ignores AML/CFT it becomes a governance failure

- **Concrete impact on PARP** – banks are expected to add (1) AML misuse scenario's (can this product layer or obscure funds?), (2) customer risk alignment (is the product appropriate for high-risk clients?), (3) transaction monitoring readiness (can existing systems detect suspicious patterns?)

The underlying idea is that AML/CFT risk management is operationalized at product level through PARP: if AML/CFT risk isn't embedded in PARP, it's no longer just a compliance gap, but (also) a prudential weakness

See also slides 83 - 98

Review Solvency II, key issues - 1

Key area:	Solvency II:	Review Solvency II:
Long-term guarantees (capital requirements):	• Based on risk-sensitive models	• More favourable treatment for long-term investments
Risk Margin	• High and volatile, making long-term products expensive	• Significantly reduced and stabilized, freeing up capital for investment.
Market Volatility (MV)	• Less effective during local market stress	• More "risk-sensitive" MV, better protecting insurers from temporary market swings.
Sustainability risks:	• Not explicitly required	• Mandatory climate risk scenarios and ESG integration in the prudential framework: insurers must assess and disclose exposure to climate risk

Review Solvency II, key issues - 2

Key area:	Solvency II:	Review Solvency II:
Macro-prudential tools:	• Not explicitly addressed	• Supervisory powers to monitor and mitigate (macro-prudential) systemic risk and powers to require liquidity risk management plans
Proportionality:	• One size fits all - except for exempted insurers	• Tailored rules and reduced burden for SNCUs (**S**mall and **N**on-**C**omplex **U**ndertakings) – reduced compliance costs and simplified governance – see also slides 114 - 116
Recovery & Resolution	• Patchwork of national rules	• New EU-wide IRRD framework for orderly handling of failing insurers

See also slides 112 - 119

1. Prudential & Financial Stability

EMIR3, key issues

• **Strengthening EU clearing** (strategic objective)	Reducing reliance on UK CCPs and Incentivizing clearing through EU-based CCPs – **the central policy driver behind EMIR 3**
• **"Active Account Requirement"** (AAR)	Firms must hold an active account at an EU CCP, and actually use it for certain derivatives for a representative number of trades - "**use it, don't just have it**"
• **Enhanced supervision of CCPs**	**Stronger role for NCA** (ESMA in a coordinator role), and Increased focus on systemic risk & cross-border exposures
• **Simplification & proportionality**	**Reducing the burden** for smaller (non) financial counterparties and formalising permanent intragroup exemptions for third-country trades, alongside adjusted clearing thresholds. These amendments **align with the broader EU simplification agenda**
• **Improved transparency and monitoring**	Better data on clearing exposures & concentration risk to **enable earlier supervisory intervention**

EMIR3, implementation

- EMIR, (EU) 2024/2987, amending Regulation (EU) 648/2012
- Implementation: 15 juli 2025 via het Uitvoeringsbesluit EMIR3 Verordening en EMIR3 Richtlijn
- **Full implementation of technical standards**: expected in 2026–2027, subject to ESA publications and validation procedures.

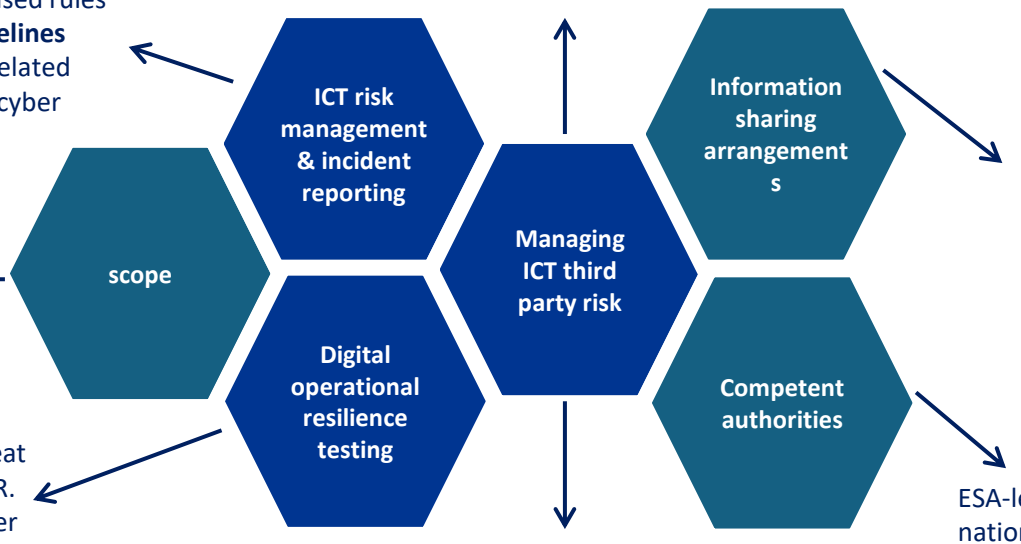
See also slides 199 - 201

Digital Operational Resilience Act – Structure

Building blocks DORA – a uniform ICT risk management system for financial institutions - (EU) 2022/2554 - **Apply from 17 January 2025**

- Oversight framework for critical third-party service providers
- Requirements related to contractual outsourcing arrangements & ICT risk management, including a "Register of information" regarding contractual arrangements with TPSP
- Assessment of ICT concentration risk at entity level

- Cross-sectoral harmonised rules with **unified, strict timelines**
- Reporting major ICT –related incidents & significant cyber threats



EU-regulated financial institutions and related entities

information and intelligence sharing in relation to cyber threats and vulnerabilities

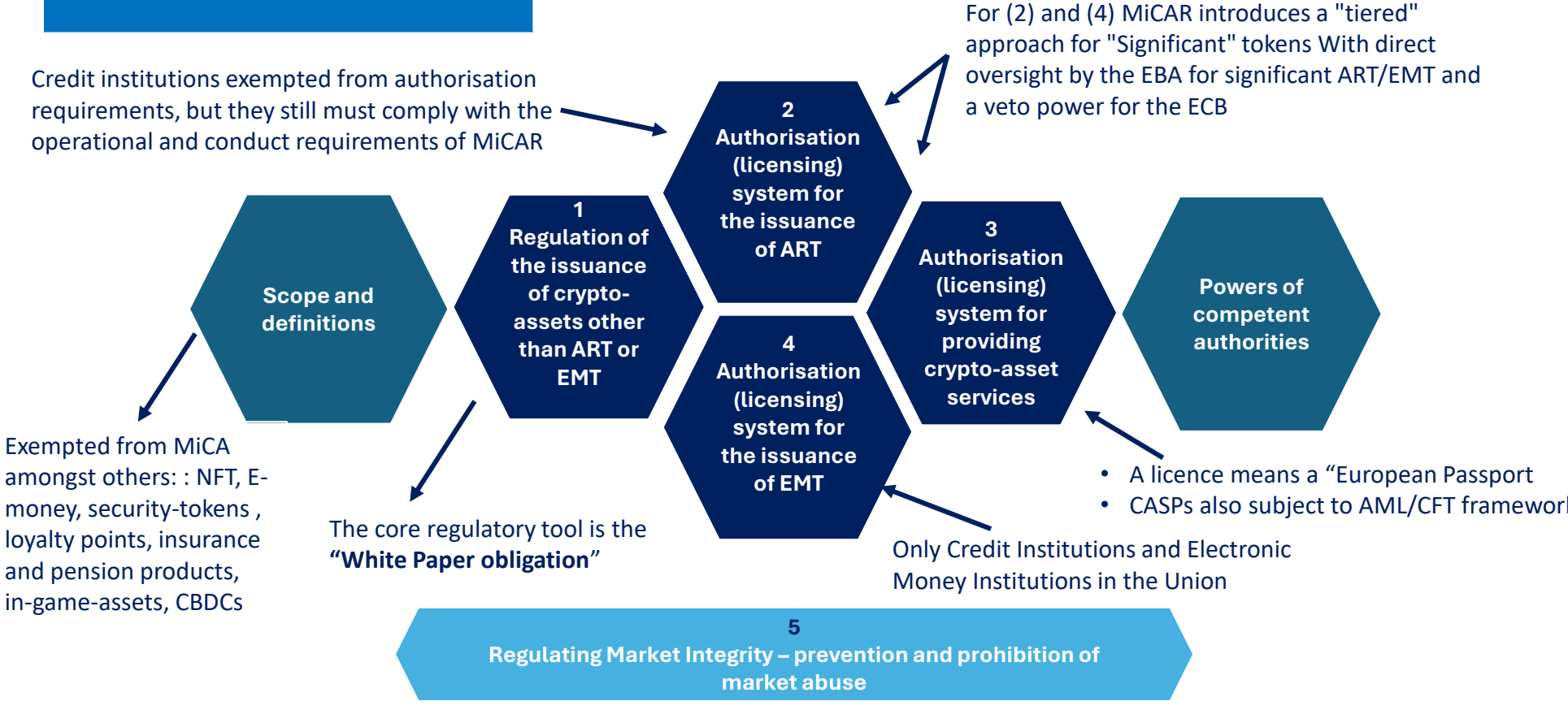
- Digital operational resilience testing - Threat led penetration testing (**TLPT**) - in NL TIBER.
- Mandatory for "significant' entities. Smaller firms need to perform **standard testing** (vulnerability scans, gap analyses)

Powers lead overseer: (1) Full access & audit rights, (2) Submitting recommendations, (3) Public notice about non-compliance with recommendation, and (4) periodic penalty payments

ESA-lead overseer & national competent authorities

See also slides 138 - 146

MiCAR - structure



See also slides 147 - 158

2. Digital & Innovation

PSD3 / PSR / FIDAR - 1

PSD2 – (EU) 2015/2366

PSD3 COM(2023) 366 final

Title II PSD2 Tightened (Market Access & Supervision):

- Licensing and Supervisory Rules for Payment & Electronic Money Institutions
- Cooperation Rules for Home-Host Authorities
- Prudential Rules & Rules for Safeguarding Client Funds
- Direct access to Payment Systems

EMD – 2009/110/EG

PSR

Titles III and IV PSD2 Strengthened:

- Operational Rules for payments
- Strengthened SCA Rules (Strong Customer Authentication)
- Mandatory Name-IBAN Verification (Confirmation of Payee)
- Responsibility & Liability in case of fraud
- Open Banking API requirements
- Data Sharing for fraud detection purposes
- Consumer Transparency & complaint handling

Instant Payment Verordening

FIDAR

Open Finance

- Data holders [1] / users share / use data at the request / with the consent of the customer
- Data must be available free of charge, securely, in real-time, and in a standardized format

[1] All financial institutions managing financial data

PSD3 / PSR / FIDAR - 2

Key milestones & projections

Milestone	PSD3/PSR (Payments)	FIDA (Open Finance)
Political agreement	Achieved (November 2025)	Ongoing (expected mid 2026)
Formal adoption & publication	Expected Q4 2026	Expected Q4 2026
Entry into force	20 days after publication	20 days after publication
Transposition period	18 months	24 months
Full compliance deadline	Late 2027 / Early 2028	2028 or later

See also slides 107 - 111

Retail Investment Package (RIS) - 1

- **The RIS package aims to modernise, standardise, and digitise how information is provided to retail investors**

- The package consists of an amending:
  - **Omnibus Directive**, the "**Retail Investment Strategy Directive**", which revises MiFID II, Solvency II, IDD, UCITS, and the AIFMD, and
  - **Regulation**, the "**PRIIPs amending Regulation**", which revises the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation

- **Application** - The *Trilogy procedure* has been completed in December 2025. Publication of both documents is expected in the first half of 2026, and they will enter into force 20 days later. The transposition period for the Omnibus Directive is 30 months after the day of its entry into force. The Revised PRIIPs Regulation will apply 24 months after the day of its entry into force

Retail Investment Package (RIS) - 2

- **"New Digital PRIIPs KID"** - The aim of the (revised) PRIIPs Regulation - (EU) 1286/2014 - is to make complex financial products more transparent and easier to compare through a standardized disclosure document – the Key Information Document (**KID**). The revision involves an update of the rules on KIDs – a new "Digital PRIIPs KID"

- **"Value for Money" Framework** - The Omnibus Directive includes measurers - amongst others – to
  - Improve the way information is provided to retail investors about investment products and services (standardised, digitalized and adapted to investors' growing sustainability preferences
  - Increase transparency and comparability of costs (standard presentation and terminology on costs)
  - Empower consumers to make better financial decisions, by encouraging Member States to implement measures that can support citizens' financial literacy; (in NL: The "Money Wise Platform" (Wijzer in geldzaken) – an initiative of the Ministry of Finance, coordinating over 40 partners

- See also slides 103 - 106

The MISP, the MISD & MISR -1

The Market Integration and Supervision Package - the draft **M**arket **I**ntegration & **S**upervision **D**irective (**MISD**) & the **M**arket **I**ntegration and **S**upervision **R**egulation (**MISR**) – aims at removing barriers and unlock the full potential of the EU single market for financial services – the package is part of the EU's broader **SIU** initiative

Documents:
- A **Master Regulation** COM/2025/943 final, and a **Master Directive** COM/2025/942 final

Content: Legislative proposals aimed at **strengthening the integration of EU capital markets** and **improving supervisory coordination** across Member States

Main objectives: To **reduce regulatory fragmentation**, enhance supervisory effectiveness and convergence by **centralizing certain supervisory functions under ESMA**, by **simplifying certain rules**, in order to make EU capital markets more efficient, competitive and attractive for investors and companies

- The slides cover the substance of slides 78 - 81

The MISP, the MISD & MISR -2

Main elements of the package:

1. **In the trading area:** creating a **pan-European Market Operator (PEMO**) status for groups (like the Euronext group) to operate in the EU with a Single licence – **European passport**, with **centralized supervision** (ESMA)
2. **In the post-trading area: limiting fragmented national rules** on the issuance of securities through harmonisation (amongst other initiatives converting the Settlement Finality Directive into a Regulation), **simplifying cross-border processes for CSD-services of the 30+ EU-CSD's** (compared to just a handful in the US) and increase access to financial instruments by **enhancing connection between EU-CSD's**
3. **Asset management**: **simplifying passporting** and harmonising rules for investment funds, harmonise rules on asset manager operations, and promoting **convergence of supervision** in the asset manager sector
4. **Innovation**: **Relaxing limits on distributed ledger technology** (DLT) to encourage innovation in the financial sector, ensuring regulations are adaptable and supportive of these technologies. And **creating legal certainty for the "tokenization" of traditional assets**, ensuring that a digital token representing a stock has the same legal protections as the stock itself
5. **Simplification – Directive to Regulation shift**: more **harmonised, uniform, rules** by converting Directives (such as large parts of the UCITS and AIFMD frameworks) to Regulations and simplified law-making by means of reduced excess national discretion and overlapping oversight

The MISP, the MISD & MISR -3

Main elements of the package:

6. **Supervision**: Enhance supervision by assigning ESMA direct oversight of significant market infrastructures and crypto asset service providers (CASPs) and Improve regulatory consistency and strengthen ESMA's decision-making with a new Executive Board.

Main issues in this respect:

i. **Centralizing supervisory authority within the ESMA**:

- Direct Supervision of significant trading venues
- Sole authority responsible for authorizing and supervising PEMOs and for CASPs
- Direct supervision of significant infrastructures (CCPs & CSDs)
- ESMA will lead "coordination platforms" for the oversight of the largest EU-based asset management groups

ii. **Coordination of Asset Management:**

- ESMA will lead ‘coordination platforms’ for the oversight of the largest EU-based asset management groups
- ESMA will manage the centralized systems for notification to achieve harmonised notification for investment funds to access the Single Market

The MISP, the MISD & MISR -4

Main elements of the package:

6. Main issues in this respect (continued):

iii. Enhanced governance and enforcement:

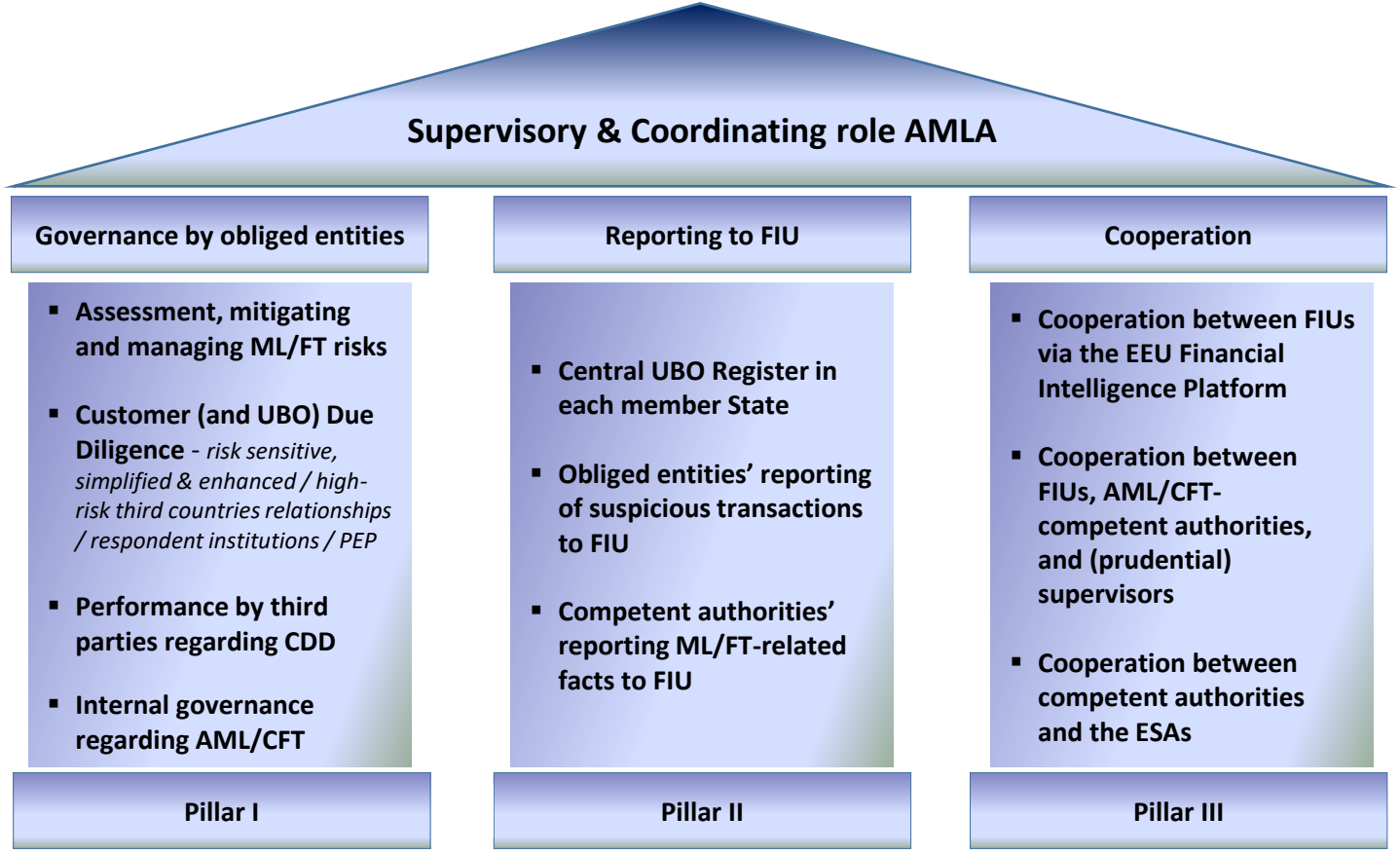
- New supervisory tools: creation of 'Joint Supervisory Teams', conducting 'Joint Inspections' alongside national regulators
- Sanction power: broader power for ESMA to impose administrative fines and periodic penalty payments on entities it supervises

iv. Technological and innovation mandate:

- DLT pilot regime: ESMA will oversee the scaling of Distributed Ledger Technology (DLT) in market infrastructures
- Technological neutrality: ESMA is mandated to update technical standards to ensure they don't accidentally block new technologies like AI or blockchain in trading and settlement

See also slides 77 - 81

AML/CFT – AMLD6, AMLR, AMLAR, WTR - 1



AML/CFT – AMLD6, AMLR, AMLAR, WTR - 2

The Role of the AMLA – 2 primary functions:

1. **Direct Supervision**: AMLA will directly supervise the "riskiest" financial entities that operate across multiple borders. This ensures a consistent level of scrutiny that was previously lacking.

2. **Indirect Supervision & Coordination**: For entities not under direct supervision, AMLA will coordinate national supervisors to ensure they apply the Anti-Money Laundering Regulation uniformly across all Member States.

- In addition: **Support for FIUs**: AMLA will facilitate cooperation between the FIUs, hosting the central platform for joint analyses and information sharing.

AML/CFT – AMLD6, AMLR, AMLAR, WTR - 3

High Impact changes of the AML/CFT package:

- **The €10,000 Cash Limit:** A new cap on large cash payments. MS retain the right to set even lower limits (like the proposed €3,000 in the Netherlands)
- **Crypto-Asset Integration:** The Transfer of Funds Regulation (TFR) now applies the "Travel Rule" to crypto, requiring the collection and sharing of data on both originators and beneficiaries of crypto-asset transfers
- **Harmonization via the AMLR:** Unlike previous Directives, the new Regulation (AMLR) is directly applicable. This eliminates "gold-plating" or varying interpretations by different MS, creating a single EU Rulebook
- **Expanded Scope:** High-value goods dealers (luxury cars, yachts, private planes) and professional football clubs are now classified as "obliged entities" under certain conditions
- **Intensified cooperation:** the 'glue' that holds the entire package together: **AMLA & EBA/ECB** ensuring that prudential supervision and AML supervision are no longer treated as separate silos, **AMLA** in its coordinating role in the AML domain, **AMLA & the FIU's**, conducting joint analyses of suspicious transactions involving multiple countries, and the **national supervisors**, closing the 'weakest link'

AML/CFT – AMLD6, AMLR, AMLAR, WTR - 4

Implementation roadmap:

Component:	Key date:	Outcome:
AMLA, (EU) 2024/1620	2025 - 2028	Gradual scale-up to direct supervision
AMLR, (EU) 2024/1624	July 2027	New EU-wide operational rules for all obliged entities
AMLD6, (EU) 2024/1640	July 2027	National laws updated
TFR/ WTR (The “travel rule” for crypto-assets), (EU) 2023/1113	Late 2024 / Early 2025 (part of the MiCA package)	Mandatory “Travel rule” for crypto-assets

See also slides 167 - 196

Sustainable finance - 1

EU sustainability regulations:

Taxonomy Regulation:
- **Provides a standardized classification system** to define which economic activities are environmentally sustainable.

CSRD:
- **Requires companies to report on their environmental and social impact** to improve the transparency and comparability of sustainability data. It introduces "double materiality," meaning companies must disclose both how sustainability issues affect them financially and how their own operations impact people and the planet

CSDDD:
- **Focuses on corporate accountability** by mandating that large companies identify, prevent, and mitigate adverse human rights and environmental impacts. Unlike the reporting focus of CSRD, the CSDDD requires concrete action throughout a company's global value chain (moving beyond simply reporting risks to actively preventing, mitigating, and ending them **across a company's entire sphere of influence Its value chain**

SFDR:
- **Requires how financial market participants integrate sustainability risks into their investment decisions**. Its primary goal is to direct private capital toward sustainable investments while providing clarity for end-investors.

Sustainable finance - 2

ESG-risks: Key pillars to support the European Green Deal:

See also the proposed simplifications in the Omnibus I Directive on Sustainability - slides 44 & 45

1	2	3	4
Taxonomy disclosures (Taxonomy Regulation)	**Non-financial reporting directive (NFRD) replaced by the CSRD and supplemented by the CSDDD (in both cases a set of amendments of the existing accounting regulations**	**EBA prudential disclosures (CRR/IFR)**	**Sustainable Finance Disclosure Regulation (SFDR)**
What:	What:	What:	What:
Defines environmentally sustainable activities (Paris aligned)	Corporates' ESG and diversity information across a company's entire sphere of influence	ESG risks measurement and ESG risk mitigation actions	Investment products and financial advice
Who	Who:	Who:	Who:
NFRD corporates	Public interest companies (more than 1000 employees) and over a €450 million net turnover in the EU	Large listed banks (CRR) and investment firms (IFR)	Financial firms selling investment products and financial advisors

See also slides 202 - 221

Omnibus I Directive on Sustainability - 1

- **Omnibus I – 1 Directive (EU) 2026/470:** (the substantive part of the Omnibus I package, the core reform piece) Simplifies the reporting obligations under the CSRD and the CSDDD

- **CSRD key outcomes:**
  - **'Stop-the-clock' provision** – 2 separate measures proposed: (1) a two-year delay for corporate reporting obligations covering the 2025 and 2026 financial years, and (2) delays due diligence obligations under CSDDD (pushes back when companies must start applying supply chain due diligence rules (regulated in the **'stop-the-clock directive, (EU) 2025/794)**
  - **Higher threshold for reporting** – mandatory reporting only for companies with more than 1000 employees and over a €450 million net turnover in the EU (raised from 250 employees / €40 million)
  - **VSME** - Non-obligated companies may opt for voluntary reporting based on the Voluntary Sustainability Reporting Standard for SMEs (VSME)" (developed by EFRAG)

Omnibus I Directive on Sustainability - 2

- **CSRD key outcomes (continue):**
  - **Value chain cap** - The scope of the obligation to collect data from value chain partners has been reduced for companies subject to the CSRD
  - However, **"Double materiality" remains the core principle of CSRD**. Companies must report on (1) how sustainability matters impact **them financially** and (2) how they impact **the environment/society**
  - **Simplifying the ESRS standards** – the mandatory European Sustainability Reporting Standards, the frameworks that obligated entities must use to report their ESG performance under the CRD, will be simplified **for smaller companies**
  - **Transposition deadline** – The Omnibus I Directive entered into force on 19 March 2026, and the deadline to transpose these CSRD changes into national laws is 1 July 2027

Omnibus I Directive on Sustainability - 3

- **CSDDD key outcomes:**
  - **Greatly narrowed scope**: Due diligence obligations now apply mainly to very large companies — those with more than 5000 employees and over €1.5 billion net turnover (current: 1,000 employees and 450million turnover)
  - **Dropped or weakened requirements**: the mandatory climate transition plans are made voluntary
  - **Risk-based focus**: Obligations concentrate on direct business partners and areas of greatest risk, rather than full value-chain mapping in all cases
  - **Transposition deadline -** Member states must implement this into national law by July 26, 2028
  - **Delayed application**: Effective compliance deadlines have been pushed out, in many cases to mid-2029, giving companies more time to prepare

Omnibus VII Act on digitalisation - 1

- **Omnibus VII: two distinct legislative proposals:**
  1. COM(2025) 750 final, The **Digital Omnibus regulation**, amending and repealing certain Union acts in the field of digital legislation as regards the simplification of the digital legislative framework – concerns GDPR, NIS2, Data Act, ePrivacy Directive (streamlining incident reporting and data-sharing rules)
  2. COM(2025) 751 final, The **AI Omnibus simplifying the AI Regulation**

- **Simplifying the AI Regulations means:**

1. **Delayed Deadlines for High-Risk AI:**	Companies are granted up to **16 months extra to comply with high-risk AI system rules**, ensuring that obligations only apply once the necessary technical standards and support tools are fully available
2. **Expansion of certain simplifications for SMEs to "Small Mid-Caps" (SMCs):**	**Compliance simplifications** and support measures previously reserved for SMEs are extended to **Small Mid-Caps** (companies with up to 499 employees), including simplified technical documentation requirements

Omnibus VII Act on digitalisation - 2

- **Simplifying the AI Regulations (continued):**

3. Broaden compliance measures:	Measures so more innovators can use regulatory sandboxes, including an EU-level sandbox from 2028 and more real-world testing, especially in core industries like the automotive
4. Centralised Oversight:	**The role of the EU AI Office is strengthened and centralised oversight of AI-systems built on general-purpose AI models** to provide more uniform guidance and reduce the administrative burden caused by fragmented national oversight.

- **Timeline**: Final negotiations between the Parliament and Council are currently underway, with a final legal act expected by late 2026

Views on regulatory complexity

ECB, ESRB, ESAs

The European Commission is focusing on simplicity and robustness:

“**EU Competitiveness Compass** - A simplified, trust-based regulatory framework" (January 2025):

- The European Commission places **EU competitiveness at the heart of its economic agenda for the next five years**
- One of the key measures for the coming years will be the **simplification and codification of EU legislation**, including financial sector legislation and regulations
- Simplification must be based on **a regulatory framework based on trust and incentives rather than detailed control**

The ECB's views - 1

Christine Lagarde calls for tougher rules on 'darker corners' of finance

ECB president wants regulation beefed up for non-banks such as hedge funds, private equity and insurers

The ECB president has called for financial regulators to tighten restrictions on hedge funds and other groups in the "darker corners of finance" to reduce their advantage when competing with banks, as she warned against "regulatory rollback".

She also said a "key shift is becoming increasingly evident — namely, signs of regulatory fatigue, which is creating an uneven playing field for financial institutions"

Regulators should address the imbalance, she argued, "not by lowering standards for banks, but by levelling them up for non-banks that are involved in bank-like activities, or with significant links to the banking sector"

The ECB's views - 2

Frank Elderson, a member of the Executive Board of the ECB, noted in a keynote speech delivered on 14 November 2025 at the ECB Forum on Banking Supervision that **part of the increase in both scale and complexity stems from national variations** as many rules do not exist within a single, uniform framework.
He therefore advocates further harmonisation of financial services legislation.

The **E**uropean **S**ystemic **R**isk **B**oard's view

ESRB, Reports of the Advisory Scientific Committee, No 8 / June 2019:

- Extensive and complex regulation cause supervisors and financial institutions to focus mainly on regulatory details
- This leads to a loss of overall, comprehensive understanding and broader strategic perspectives are weakened
- Moreover, too many rules can create a false sense of control, leading to slow or poor responses to major changes in the financial system
- And finally, financial risks from banks and other institutions may shift to less regulated parts of the financial system

EIOPA's view - 1

Bolder, Simpler, Faster: EIOPA's view for better regulation and supervision (April 2025):

- **Streamlining regulatory burden**: shortening ITS templates and cutting Guidelines by about 25%
- **Applying proportionality more broadly**, one of the key issues of SII Review
- **Accommodate smart, technology-driven modernisation** by means f the launch of AI governance guidelines to integrate AI oversight under existing insurance regulations
- **Easing stress testing and liquidity reporting** by means of a reduction of stress testing frequency
- **Anchoring simplification – not deregulation** because efforts to lighten regulation must preserve financial stability, supervisory effectiveness, and consumer protection

EBA's view - 1

The EBA report on the efficiency of the regulatory and supervisory framework, EBA/REP/2025/26, of 1 October 2025, about proposals for a more efficient regulatory and supervisory framework in the EU

The EBA has started the review of four key areas:

1. The production of Level 2 (L2) and Level 3 (L3) regulatory products addressed to financial institutions
2. The reporting burden for these institutions
3. The EBA's contribution to the overall EU prudential regulatory framework, and
4. Internal working arrangements.

EBA‘s view - 2

About the regulatory mandates (amongst others):

- The EBA has developed a **methodology to assess the materiality of L2 and L3 mandates**, and the application of this methodology shows that 20% of the upcoming mandates could be deprioritized; the EBA will use this methodology during the negotiations of future legislation (**REC 1**)

- The EBA is launching a **review of all the regulatory products (L2 and L3)** it has developed (**REC 2**)

- The EBA EU-wide **stress test exercise is undergoing a strategic streamlining** to reduce the burden on both supervisors and institutions; in parallel a consolidation of the **Single Rulebook complemented by a digital overhaul** to make it more user-friendly will be launched in 2026 (**REC3**)

EBA's view - 3

About a holistic picture: regarding the complexity of rules, the EBA will:

- Reflect on how to streamline the capital buffer/MDA requirements, the multitude of own funds, leverage and TLAC/MREL requirements (**REC 9**)

- Seek to foster more proportionality being introduced in the framework through a more systematic application of simpler rules for the Small and Non-Complex Institutions (SNCIs) category while maintaining a single bank regime (**REC 10**)

- Reflect on the existing balance of home-host responsibilities and use of waivers (**REC 11**)

ESMA's view

- **ESMA:** "At ESMA we aim to play our part in **simplifying the regulatory framework and in reducing unnecessary reporting burdens** where feasible. This work should not be about deregulation but about avoiding duplications and streamlining some of the reporting requirements for market participants" (Vera Ross, ESMA chair, February 2025)

- In its Report on Call for Evidence, of 12 March 2026, ESMA35-243228190-7410, ESMA sets out its planned follow-up actions to improve the retail investor journey – amongst other initiatives:

  - to **streamline disclosure requirements and tackle information overload**

  - To **reduce the complexity in the area of suitability and appropriateness**

  - To support the EC in **simplifying and improving MiFID II requirements on sustainability**

Visie Raad van State, jaarverslag 2017

De RvS constateert in haar 2017 jaarverslag:

- **Een afnemende centrale rol van de wetgever** (door decentralisatie en delegatie van bevoegdheden) →
- **Regulering als sturingsinstrument** (voor controle en minder als kader voor individuele discretie) →
- **Toenemende complexiteit van regelgeving** (met een fijnmaziger en gedetailleerder juridisch kader) →
- **Groeiende vraag naar uitzonderingen** (om de complexe realiteit het hoofd te bieden) →
- **Illusie van zekerheid** (die regels bieden voor wetgevers, uitvoerende instanties, rechtbanken en burgers) →
- **Risico van onvoorspelbaarheid** (door toenemende complexiteit waardoor zekerheid omslaat in inconsistentie, willekeur en onzekerheid)

……. Maar van burgers en instellingen wordt nog steeds verwacht dat zij de wet kennen en naleven

NL wetgevingstrajecten aanhangig

- Momenteel zijn 15 Wft-gerelateerde wetgevingsvoorstellen in voorbereiding - 8 voorstellen zijn in behandeling in de Kamer en 7 voorstellen bevinden zich in de ‘pijplijn’
- Medio vorig jaar was de stand van zaken dat de Wft in de ruim 18 jaar sinds de inwerkingtreding op 1 januari 2007 maar liefst 131 keer is gewijzigd
- Gemeten naar het aantal in voorbereiding zijnde wetgevingsvoorstellen, is van een matiging in de ‘regeldrift’ dus nog geen sprake

Wft wetgevingstrajecten - 1

1. Wet implementatie Europees centraal toegangspunt, Kamerstukken 36931	Implementatie van de ESAP **Richtlijn** (**E**uropean **S**ingle **A**ccess **P**oint), Richtlijn (EU) 2023/2864 – implementatie deadline 10-1-2026
2. Implementatiewet noteringen en benchmarks, Kamerstukken 36930	Implementeert **Richtlijn** (EU) 2024/2811, ter uitvoering van Verordening (EU) 2024/2809 met als doel de publieke kapitaalmarkten in de Unie aantrekkelijker te maken voor ondernemingen en de toegang tot kapitaal voor kleine en middelgrote ondernemingen te vergemakkelijken en van Verordening (EU) 2025/914 (benchmarks) – implementatie deadline 5-6-2026
3. Implementatiewet herziene richtlijn consumentenkrediet, Kamerstukken 36924	Implementatie van **Richtlijn** (EU) 2023/2225 – implementatie deadline 20-11-2025
4. Wet internationale sanctiemaatregelen, Kamerstukken 36898	Vervangt de Sanctiewet; begin dit jaar ingediend bij de Tweede Kamer

Wft wetgevingstrajecten - 2

5. Implementatiewet kapitaalvereisten 2026, Kamerstukken 36885	Implementatie van **Richtlijn** (EU) 2024/1619 (CRD VI) en onderdelen van Richtlijn (EU) 2024/2994 (EMIR 3 Richtlijn) implementatie deadlines 10-1-2026 en 25-6-2026
7. Wet chartaal betalingsverkeer, Kamerstukken 36711	Deze wet beoogt de beschikbaarheid, bereikbaarheid en betaalbaarheid van contant geld op lange termijn te garanderen. Grote banken worden verplicht tot het onderhouden van een landelijk dekkend netwerk van geldautomaten
8. Wet implementatie richtlijn duurzaamheidsrapportering (CSRD), Kamerstukken 36678	Implementeert de CSRD **Richtlijn**, Richtlijn (EU) 2022/2464 – implementatie deadline 6-7-2024

Wft wetgevingstrajecten in/na consultatiefase en vóór indiening

1. Uitvoeringswet verordening cryptoactiva, Kamerstukken 36.527	Aanwijzing van de AFM en DNB als bevoegde autoriteiten ingevolge de **Verordening** cryptoactiva en specifieke handhavingsbevoegdheden in art. 1:4 Wft jegens CASP
2. Implementatiewet ter voorkoming van witwassen en terrorismefinanciering	Implementeert **Richtlijn** (EU) 2024/1640; sinds 28-4-2026 adviesaanvraag aanhangig bij de Raad van State
3. Implementatiewet herstel en afwikkeling verzekeraars	implementatie van de Europese **Richtlijn** herstel en afwikkeling van verzekeraars, (EU) 2025/1)
4. Implementatiewet herziening richtlijn markten voor financiële instrumenten 2014	Implementatie review MiFID II, **Richtlijn** (EU) 2024/790 en ter uitvoering van review MiFIR, **Verordening** (EU)2024/71.
5. Wijzigingswet beleggerscompensatiestelsel	Wijziging van de Wet op het financieel toezicht in verband met aanpassing van het financieringsmodel van het BCS
6. Implementatiewet wijzigingsrichtlijn Solvabiliteit II 2027	Implementatie van de review **Richtlijn** solvabiliteit II (Richtlijn (EU) 2025/2).
7. Implementatiewet richtlijn aandelen met meervoudig stemrecht	Implementatie van **Richtlijn** (EU) 2024/2810 – structuren met aandelen met meervoudig stemrecht in ondernemingen die om de toelating tot de handel van hun aandelen op een multilaterale handelsfaciliteit verzoeken

Wft wetgevingstrajecten in/na consultatiefase en vóór indiening

1. Wetsvoorstel internationaal verantwoord ondernemen (Wivo)

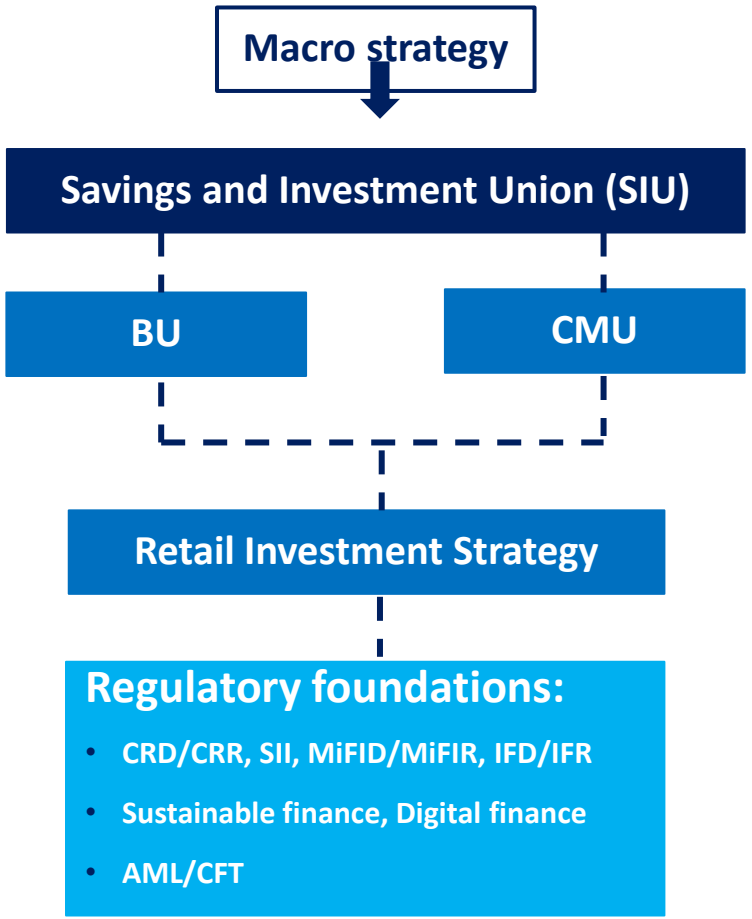
Implementatie van de Corporate Sustainability Due Diligence Directive (CSDDD, 2024/1760). Over het Wetsvoorstel internationaal verantwoord ondernemen (Wivo) heeft eerder een internetconsultatie plaatsgevonden. Naar aanleiding van de wijzigingen in de CSDDD als gevolg van de Omnibus I-richtlijn is het wetsvoorstel aangepast. Deze wijzigingen zijn erop gericht om de richtlijn te vereenvoudigen. Vanwege deze aanpassingen is besloten opnieuw een korte internetconsultatie te organiseren, zodat betrokkenen goed geïnformeerd zijn over de wijzigingen en daarop gericht kunnen reageren.

Het regelen van de implementatie van Richtlijn (EU) 2024/1760 (beter bekend als de Corporate Sustainability Due Diligence Directive of CSDDD) in een afzonderlijke wet — de Wet internationaal verantwoord ondernemen (Wivo) — in plaats van in het Burgerlijk Wetboek (BW), heeft een aantal belangrijke wetstechnische en praktische redenen.De keuze voor een separate wet komt voornamelijk door de volgende aspecten:1. Het hybride karakter (Bestuursrecht vs. Privaatrecht)De CSDDD verplicht lidstaten om de regels op twee verschillende manieren te handhaven:Bestuursrechtelijk: Er moet een onafhankelijke publieke toezichthouder komen (in Nederland de Autoriteit Consument en Markt (ACM)) die controles uitvoert en bestuurlijke boetes of lasten onder dwangsom kan opleggen.Civielrechtelijk: Slachtoffers moeten de mogelijkheid hebben om via de civiele rechter schadevergoeding te eisen als een bedrijf zijn due diligence-verplichtingen schendt.Het Burgerlijk Wetboek is het fundament van ons privaatrecht (de verhoudingen tussen burgers en bedrijven onderling). Bestuursrechtelijke handhaving, de aanwijzing en bevoegdheden van een toezichthouder zoals de ACM en bestuursrechtelijke sancties horen principieel niet thuis in het BW. Een aparte wet kan beide rechtsgebieden naadloos met elkaar verbinden.2. Toepassing op buitenlandse ondernemingenDe verplichtingen uit de richtlijn gelden niet alleen voor Nederlandse bedrijven, maar ook voor buitenlandse ondernemingen (van buiten de EU) die een grote omzet in Nederland/de EU behalen of hier een bijkantoor hebben.Boek 2 van het BW regelt de structuur en het functioneren van Nederlandse rechtspersonen (zoals de NV en BV).Het zou juridisch en systematisch rammelen om in Boek 2 BW verplichtingen op te leggen aan buitenlandse vennootschappen die niet naar Nederlands recht zijn opgericht. Een zelfstandige wet kan makkelijker een reikwijdte bepalen die over de landsgrenzen heen kijkt.3. Coherentie en overzichtelijkheidDe CSDDD introduceert een zeer specifiek en complex stelsel van verplichtingen (de zogeheten due diligence-cyclus van identificeren, voorkomen, beëindigen en verantwoorden van misstanden) én de verplichting tot het opstellen van een klimaattransitieplan.Als de wetgever dit in het BW had willen stoppen, had de wet opgeknipt moeten worden: de zorgplichten en aansprakelijkheid in Boek 6 (Verbintenissenrecht), de rapportage en corporate governance in Boek 2 (Ondernemingsrecht), en het toezicht in een aparte bestuursrechtelijke wet. Door te kiezen voor de Wivo blijft de hele keten van verplichtingen, toezicht en handhaving overzichtelijk bij elkaar in één wetboek.4. Flexibiliteit bij toekomstige wijzigingenInternationaal maatschappelijk verantwoord ondernemen (IMVO) is een rechtsgebied dat snel in ontwikkeling is. Een separate wet leent zich er beter voor om in de toekomst snel te worden aangepast (bijvoorbeeld via Algemene Maatregelen van Bestuur voor specifieke sectoruitwerkingen) dan het Burgerlijk Wetboek, dat als de 'grondwet van het privaatrecht' juist zeer stabiel en terughoudend gewijzigd moet worden.

Content

Regulations discussed

Financial sector 'macro strategy' & 'overarching policy architecture'



= Policy ambition = The efficient mobilisation of savings into investment = de SIU: *integrates* banking, markets and retail participation into *one ecosystem*

The ***Banking Union*** (ensuring a safe and sound banking system), the ***Capital Markets Union*** (ensuring diversified financing sources in one common market) and the ***Retail Investment Strategy*** (ensuring the mobilisation of household saving into market-based finance) form part of the overarching policy architecture supporting its delivery

The core legislative frameworks that operationalise and sustain the above strategy

The EU **C**apital **M**arkets **U**nion initiative

&

its legislative implementation package to reduce cross-border barriers, enhance supervisory convergence and strengthen the role of EU-level-supervision (e.g. ESMA):

The **M**arket **I**ntegration and **S**upervision **P**ackage

4 December 2025

The EU Capital Markets Union, CMU, basic features

CMU = a single EU-wide market for capital, comparable to the single market for goods and services

Basic features:

1. **A Single market for capital**: Removing fragmentation between national capital markets

2. **Broader and cheaper financing for companies**: Reduce reliance on bank lending by developing alternative funding sources, with focus on SMEs gaining easier access to capital

The EU CMU, basic features

Basic features (continued):

3. **More opportunities for investors and savers**:	Creating a Savings and Investment Union – **SIU**
4. **Integration and harmonisation of rules**:	**Align national rules** on areas like supervision, and listing requirements to facilitate cross-border investment and **Improve data access and transparency** to make markets more comparable

The EU CMU, basic features

Basic features (continued):

5. **Key policy priorities (2020 Action Plan)**:

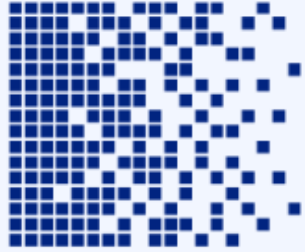
Support economic recovery and growth (easier access to finance, especially for companies), **make saving and investing safer** (investor protection, financial literacy) and **deepen market integration** (remove legal and regulatory barriers

6. **Strategic objectives**:

Strengthen EU competitiveness and financial autonomy, help finance the **green and digital transitions** and build a more **resilient and inclusive financial system**

The EU CMU, currently fragmented EU capital markets

Currently, EU capital markets are underdeveloped and too fragmented.



Capitalisation

Stock exchange capitalization at 73% of EU GDP (vs. 270% in the US and 130% in United Kingdom)

Investment funds

Smaller investment fund sizes (5 times smaller than US funds)

Market infrastructure

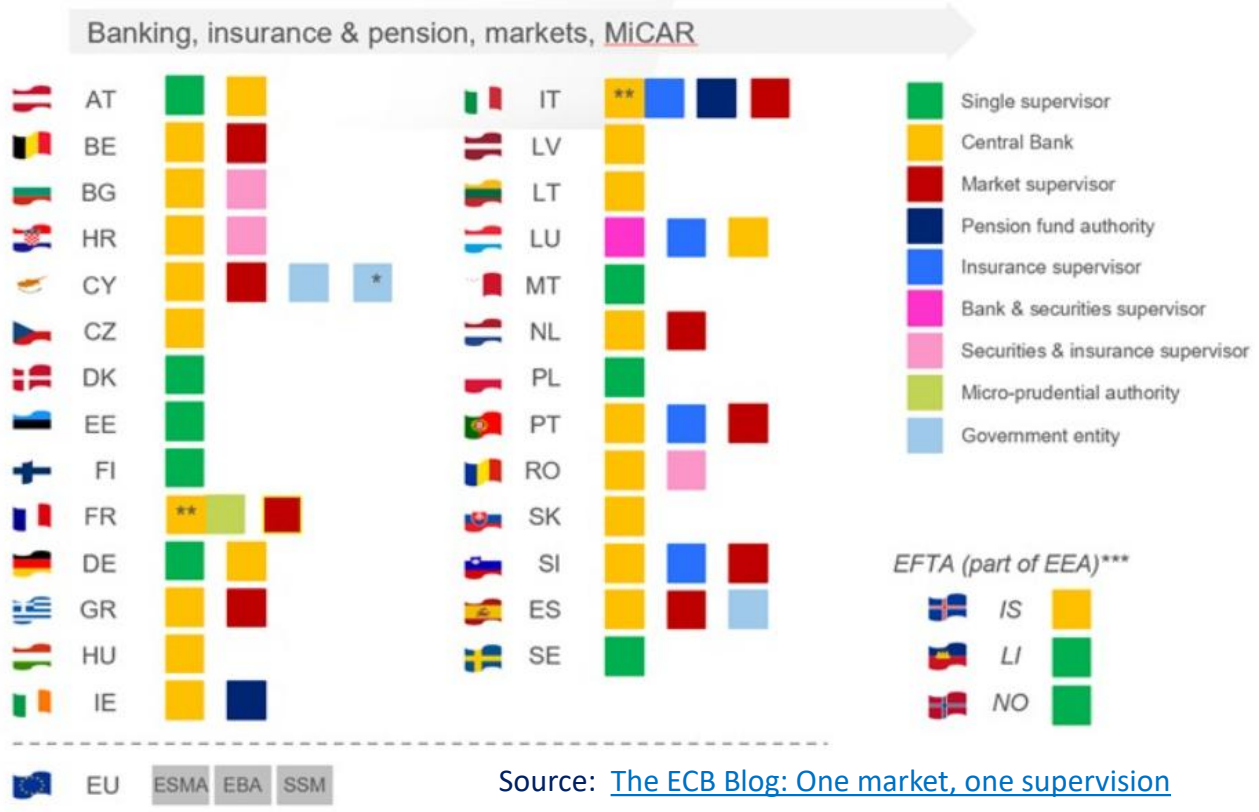
Over 300 stock exchanges

A more developed capital market could help bridge this gap and support EU economic growth.

Source: European Commission - Factsheet 'Breaking down barriers to integrate financial markets'. See also the proposal for a Master Regulation COM/2025/943 final of 4 December 2025

The EU CMU, but also a fragmented supervisory architecture

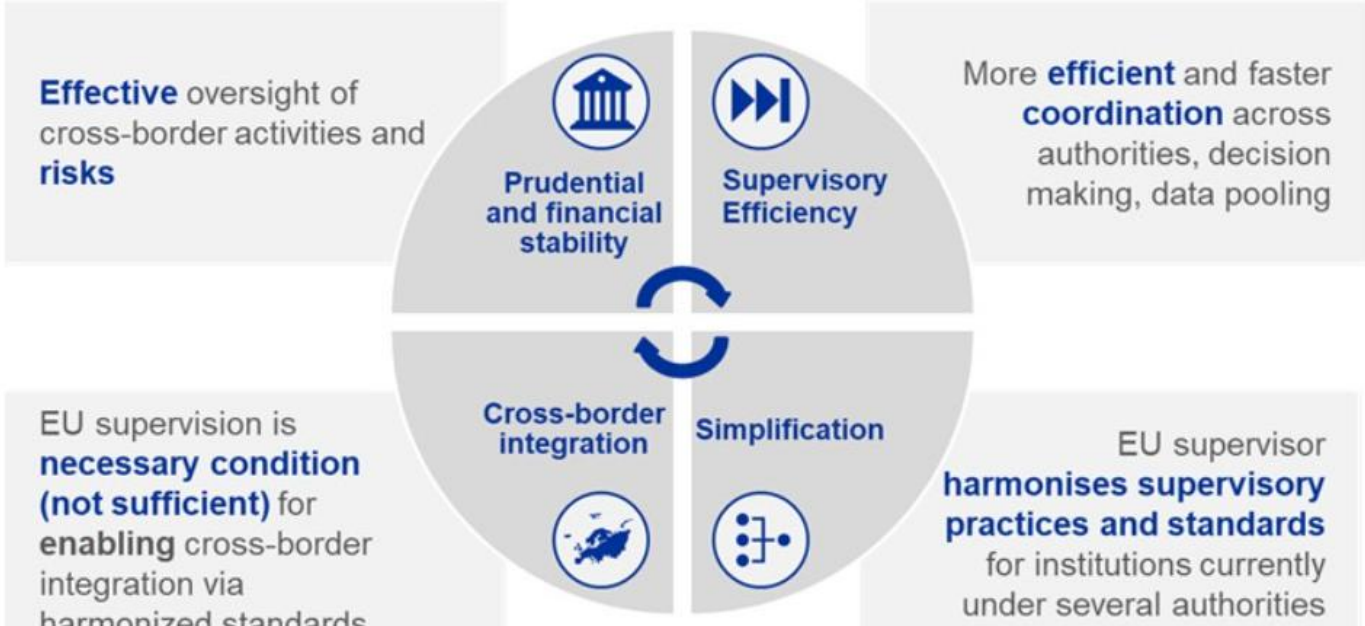
52 supervisors:



Source: [The ECB Blog: One market, one supervision]

The EU CMU, 4 benefits via a more integrated supervisory approach

A more integrated supervisory approach would bring four major benefits:



Source: ECB.

The EU CMU Plan – improve data access & transparency: ESAP - 1

- The European Single Access Point - ESAP: EU-wide platform to access company & financial data in one place
- Covers financial + ESG + (other) non-financial disclosures
- Data comes from companies, listed firms, and financial institutions
- Aims to improve transparency, comparability, and investor access (free to use for the public)
- Data standardized + machine-readable (digital formats like XBRL). Rollout starts mid-2020s, phased implementation
- Helps SMEs gain visibility to investors

The EU CMU Plan – improve data access & transparency: ESAP - 2

- ESAP is established through 3 legislative acts:

1. A Directive, (EU) 2023/2864 amending existing EU directives to require companies/entities to submit data

2. Two Regulations:
   - Regulation (EU) 2023/2859, establishing the ESAP, and
   - Regulation (EU) 2023/2864, amending various EU Regulations to align them with ESAP

NL implementatie: Wet implementatie Europees centraal toegangspunt, Kamerstukken 36931

Amongst others: CRR, MAR, Prospectus Regulation, MiFIR, MMF Regulation, Credit rating agencies Regulation, SFDR, and MiCA

The EU CMU Plan - Listing Act

Aims Listing Act: three initiatives to make public capital markets in the EU more attractive and accessible for SMEs:

1. **Supporting access (for SMEs) to public markets**: Regulation (EU) 2024/2809 (**prospectus reforms**), measures to make public markets more attractive for SMEs, amongst other things, raising the threshold for public offers exempt from a prospectus to €12 million. **Application date: phased from 5 March to 5 June 2026**

NL Implementatie: Implementatiewet noteringen en benchmarks

2. **Making companies (SMEs) more visible**: Directive (EU) 2024/2811 (**Code of Conduct**), same aim as the first initiative mentioned, measures, amongst other things, a EU-wide Code of Conduct for "issuer-sponsored-research' to ensure independence, objectivity and transparent management of conflicts of interest. **Application date 5 June 2026**

3. **Encourage equity finance (by SMEs)**: Directive (EU) 2024/2810 (**facilitating multiple voting structures**), measures allowing companies seeking admission to listing on a MTF to adopt multiple-vote structures, to allow founders to retain control over their companies while raising capital from public markets. **Application date: 4 December 2026**

The Market Integration and Supervision Package (MISP) - 1

The *MISP* is a CMU-driven legislative delivery initiative aimed at reducing market fragmentation and enhancing supervisory convergence, thereby supporting the broader objectives of the *Savings and Investments Union*

Documents: A **Master Regulation** COM/2025/943 final, and a **Master Directive** COM/2025/942 final

Content: Legislative proposals aimed at **strengthening the integration of EU capital markets** and **improving supervisory coordination** across Member States

Main objectives: (1) To **reduce regulatory fragmentation**, (2) enhance supervisory effectiveness and convergence by **centralizing certain supervisory functions under ESMA**, and (3) by **simplifying certain rules**, to make EU capital markets more efficient, competitive and attractive for investors and companies

MISP - main elements - 2

1. **In the trading area**: create a **pan-European Market Operator (PEMO**) status for groups (like the Euronext group) to operate in the EU with a Single licence – **European passport**, with **centralized supervision** (ESMA), with the possibility of **resource sharing** (technical and human resources) without being classified as “outsourcing” or “delegation”. The result: lower costs, increased competition, and boosting liquidity

2. **Reducing post-trading fragmentation: limiting fragmented national rules** on the issuance of securities through harmonisation (amongst other initiatives converting the Settlement Finality Directive into a Regulation), **simplifying cross-border processes for CSD-services of the 30+ EU-CSD’s** (compared to just a handful in the US) and increase access to financial instruments by **enhancing connection between EU-CSD’s**

MISP - main elements - 3

3. **Asset management**: **simplifying passporting** and harmonising rules for investment funds, harmonise rules on asset manager operations, and promoting **convergence of supervision** in the asset manager sector

4. **Innovation**: **Relaxing limits on distributed ledger technology** (DLT) to encourage innovation in the financial sector, ensuring regulations are adaptable and supportive of these technologies. And **creating legal certainty for the "tokenization" of traditional assets**, ensuring that a digital token representing a stock has the same legal protections as the stock itself - see also slides 147 – 154 (MiCA)

5. **Simplification – Directive to Regulation shift**: more **harmonised, uniform, rules** by converting Directives (such as large parts of the UCITS and AIFMD frameworks) to Regulations and simplified law-making by means of reduced excess national discretion and overlapping oversight

MISP - main elements - 4

6. **Supervision**: Enhance supervision by assigning **ESMA direct oversight of significant market infrastructures and crypto service providers** and Improve regulatory consistency and strengthen ESMA's decision-making with **a new Executive Board**

Main issues in this respect:

i. **Centralizing supervisory authority within the ESMA**:
   - Direct Supervision of significant trading venues
   - Sole authority responsible for authorizing and supervising PEMOs and for CASPs
   - Direct supervision of significant infrastructures (CCPs & CSDs)
   - ESMA will lead "coordination platforms" for the oversight of the largest EU-based asset management groups

ii. **Coordination of Asset Management:**
   - ESMA will lead ‘coordination platforms’ for the oversight of the largest EU-based asset management groups
   - ESMA will manage the centralized systems for notification to achieve harmonised notification for investment funds to access the Single Market

MISP - main elements - 5

6. Main issues in this respect (continued):

iii. Enhanced governance and enforcement:

- New supervisory tools: creation of '**Joint Supervisory Teams**', conducting 'Joint Inspections' alongside national regulators
- Sanction power: **broader power for ESMA to impose administrative fines and periodic penalty payments** on entities it supervises

iv. Technological and innovation mandate:

- DLT pilot regime: ESMA will oversee the scaling of Distributed Ledger Technology (DLT) in market infrastructures – see also slide 156
- Technological neutrality: ESMA is mandated to update technical standards to ensure they don't accidentally block new technologies like AI or blockchain in trading and settlement

The **B**anking **U**nion Initiative

The policy agenda to complete and strengthen the Banking Union with the following core topics: (1) Institutional completion (EDIS) to ensure equal depositor protection across the EU and reduce the bank-sovereign nexus, (2) reform of crisis management tools, the **C**rissis **M**anagement and **D**eposit **I**nsurance (CMDI) reform, (3) Strengthening prudential resilience (Basel III post crisis reforms), (4) structural stability through breaking the bank-sovereign nexus, (5) Supervisory convergence (SSM), and (6) market integration through cross-border banking

EU Banking Sector – New Policy Direction (17 July 2026)

- **European Commission – Competitiveness of the Banking Sector and the Single Market in Banking (17 July 2026)** - *the Commission places the further development of the EU banking framework explicitly in the context of competitiveness and the Savings and Investments Union, while preserving financial stability.*

- **Main policy directions:**
  - **Market integration:** further develop the Single Market for banking and facilitate cross-border banking activity
  - **Proportionality**: better tailor the regulatory and supervisory framework, particularly for smaller and less complex banks
  - **Simplification:** simplify prudential requirements, supervisory processes and reporting requirements, while maintaining resilience and international standards

- **Next step: Legislative proposals expected in Q1 2027.**

Basel III post crisis reforms

CRD6 (EU) 2024/1619 & CRR3 (EU) 2024/1623

From Basel I to Basel III post crisis reforms

Basel I - 1988

- **8% risk weighted capital ratio**, focused on credit risk

28 pages

Basel II - 2006

- **8% risk weighted capital ratio**, focused on credit, market, operational and counterparty credit risk
- Use of **internal models**
- Introduction of the **three-pillar structure**

347 pages

Basel III - 2013 - 2019

post crisis reforms

- **8% risk weighted capital ratio** as under Basel II
- **Leverage ratio**
- **Large exposure limits**
- Liquidity standards – **LCR and NSFR**
- **Capital buffers** (macro prudential)
- Supervisory **stress testing**
- Introduction of **output floors & reduced use of IRB**

616 pages
(Consolidated text: 1626 pages)

→ *More risk sensitive regulation including some simplifications under Basel III* →

Implementing Basel III Capital Accord - 1

Element:	**CRD IV/CRR** (2014, observation) *2013/36/EU / (EU) 575/2013*	**CRD V/CRR II** (2019, binding) *(EU) 2019/878 / (EU)2019/876*
Quality of capital – focus on CET1	Binding	-
Leverage ratio	Introduced as observation	Mandatory
Liquidity Coverage Ratio (short term)	Observation – binding from 2015	-
Net Stable Funding Ratio (long term)	Observation – binding from 2018	Formalised under CRR II
Macro-prudential Capital buffers	Introduced, phased-in	Fully implemented & enforced
Large exposure framework	Refinement	Further consolidation and clarity

Implementing Basel III Capital Accord - 2

NL implementatie: Implementatiewet kapitaalvereisten 2026

Element: **CRD VI / CRR3** (finalising Basel III package), (EU) 2024/1619 / (EU) 2024/1623

Output floor: Minimum level for RWAs calculated using internal models to reduce excessive variability of bank's capital requirements calculated with internal models

Main risk areas: Revision of credit-, market- and Operational risk, among other elements: certain amendments in bank's RWA, removing the option to use the IRB approach for certain types of exposures, and a new and simpler operational risk framework

Implementing Basel III Capital Accord – 2a

Improved treatment of credit risk – Standardised Approach (**SA**) & Internal ratings-based approach (**IRB)**:

Revision	Explanation	Example
SA - Introduction of more risk-sensitive approaches for calculating RWAs	- A more detailed risk-sensitive risk weighting approach instead of a flat risk weight, particularly for residential and commercial real estate	- A lower (higher) risk weight for a mortgage exposure with a low (high) Loan-to-Value ratio - Higher risk weights for real estate–backed exposures where repayment is materially dependent on the cash flow generated by the property
SA - Reduce reliance on external credit ratings	- Require banks to conduct sufficient due diligence (credit risk assessment) when using external ratings - Require banks to have a sufficiently detailed non-ratings-based approach for jurisdictions that cannot or do not wish to rely on external credit ratings	- A structured finance product has a high external rating. However, the underlying assets are concentrated in a stressed sector such as commercial real estate. The bank may need to apply a more conservative treatment despite the rating - Instead of relying on a rating, the framework may consider revenue size, regulatory classification, loa-to-value ratios, financial leverage, type of collateral

Source: BCBS, finalising Basel III in brief

Implementing Basel III Capital Accord – 2b

Improved treatment of credit risk – Standardised Approach (**SA**) & Internal ratings-based approach (**IRB**):

Revision	Explanation	Example
IRB - The 2017 reforms introduced some constraints to banks' estimates of risk parameters	- There are two main IRB approaches: Foundation IRB (F-IRB) and Advanced IRB (A-IRB). The application of both approaches is limited under the new regime - see also next slide for a brief explanation of the two approaches	- Removal of the option to use the A-IRB approach for exposures to financial institutions and large corporates - Removal of the option to use F-IRB of A-IRB for equity exposures - Where the IRB approach is retained, minimum levels are applied on the probability of default within one year (PD), the percentage of the exposure the bank expects to lose if default occurs, the so-called Loss Given Default (LGD) and the total exposure outstanding at the time of default, the Exposure at Default (EAD)

The Expected Loss, ***EL = PD x LGD x EAD***. However, the Basel framework is primarily designed to ensure banks hold capital against unexpected losses, rather than expected losses. The Basel IRB framework uses a highly complex regulatory formula incorporating PD, LGD, EAD, asset maturity, and asset correlations, to calculate the capital requirements (the RWAs are then derived by multiplying the calculated capital requirement by a factor of 12.5)

Implementing Basel III Capital Accord – 2c

Improved treatment of credit risk – Standardised Approach (**SA**) & Internal ratings-based approach (**IRB**):

Explanation of both approaches:

F-IRB: In this less complex approach, the bank estimates only the Probability of Default (PD) internally. Other risk parameters are prescribed by regulators. The regulator provides the LGD, the EAD, and maturity assumptions (in many cases)

A-IRB: In this more complex and more risk sensitive approach**, the bank** estimates multiple risk parameters internally using its own models and historical data. The bank estimates: PD, LGD EAD, and maturity adjustments

Implementing Basel III Capital Accord – 2d

Revision of operational risk

- Replacement of previous operational risk approaches with a single Standardised Approach (SA) – so, the use of internal models is no longer allowed

- The **SA** combines (1) a financial indicator, the Business indicator (business size & income), and (2) Capital requirements now based on a combination of (1) business size and income indicators, with (2) a bank's historical operational loss experience over ten years (the internal loss multiplier):

Operational Risk capital = **Business Indicator component** X **Internal loss multiplier**

⇧ ⇧ ⇧

To cover against the risk of loss due to inadequate or failed internal processes, people and systems or from external events

A progressive measure of income that increases with the bank's size - a progressive, 'tax bracket'-style calculator to the successive business indicator buckets

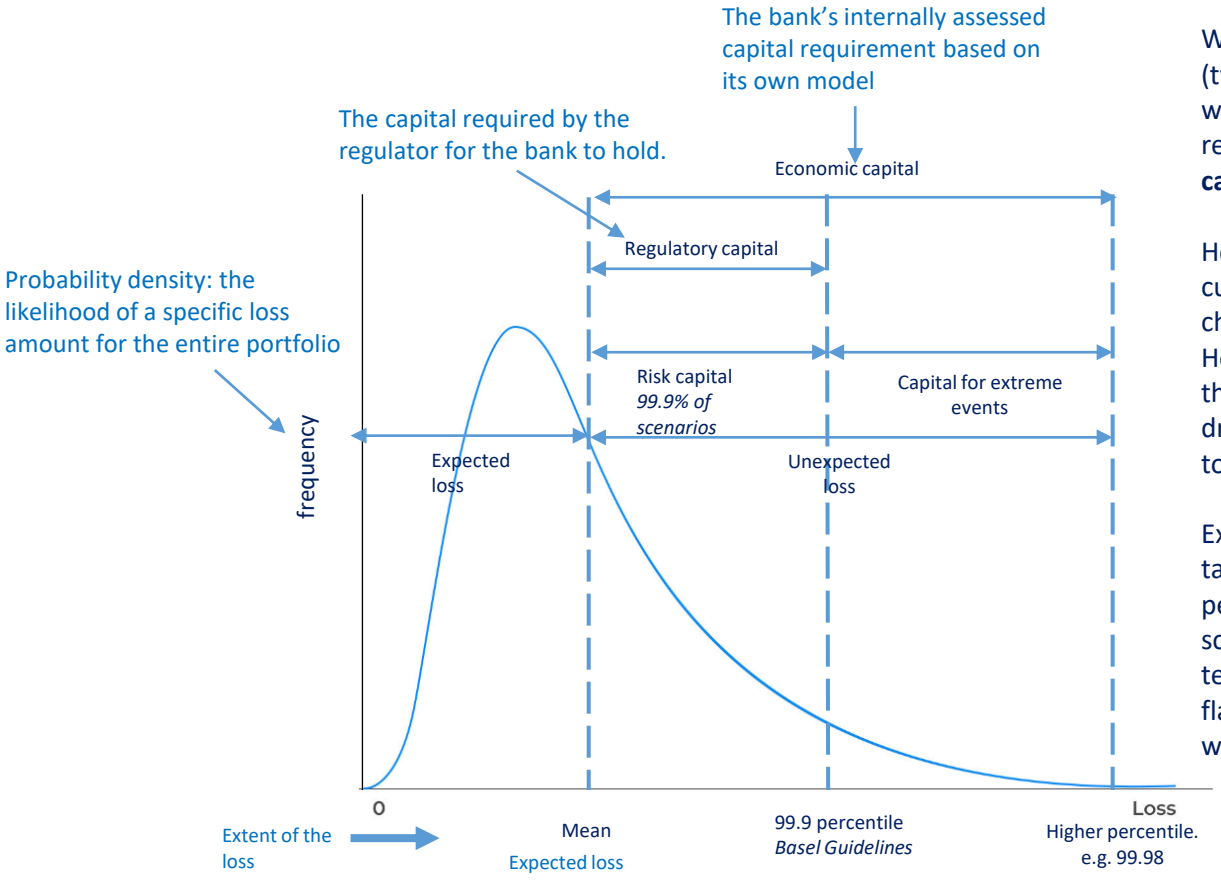
A risk sensitive component that captures a bank's own internal losses

Implementing Basel III Capital Accord – 2e

Improved treatment of market risk:

Revision	Explanation	Example
1. The Trading vs the Banking Book Boundary	- Regulators must now approve any "switches" between the books to prevent capital arbitrage	- A bank can no longer easily move an illiquid credit asset into the trading book just to get a lower regulatory capital charge
2. Core risk metric: Shifting from Value-at-Risk (**VaR**) to Expected Shortfall (**ES**)	- Swapping a single "cut-off" point for a metric that takes the average of the mass of extreme losses in the tail area (capturing tail risk severity) – see also next slide	- Bank A and Bank B both have a €10 million VaR, but Bank B holds toxic exotics. ES forces Bank B to hold much more capital due to its "fat tail" severity
3. Market liquidity horizons: Moving from a flat 10-day assumption to risk-dependent horizons (10, 20, 40, 60, 120 days)	- Holding periods are now directly tailored to the actual market depth of the asset	- Highly liquid EUR/USD trades stay at a 10-day horizon, but complex commodity or equity exotics get assigned a 120-day horizon because they take longer to sell in a crisis
4. IRB Tightening: Approval is now given per individual trading desk, backed by rigid P&L Attribution (PLA) tests	- Harder-to-price risks get a strict "Non-Modellable Risk Factors" (NMRF) capital add-on	- If a bank's exotic equity desk fails its daily P&L test, that specific desk loses its model approval and is instantly pushed to the conservative Standardised Approach.
5. The revised Standardised Approach: Completely redesigned to be highly risk-sensitive	- The new SA uses portfolio sensitivities ("Greeks" like Delta, Vega, and Curvature) and acts as the ultimate floor	- Even if a bank uses advanced internal models for everything, it must calculate the revised SA anyway, as it serves as the mandatory regulatory baseline and output floor.

Implementing Basel III Capital Accord – 2f



When mapped on the classic loss-distribution curve (typically used for credit risk) the VaR tells you exactly where the vertical line marked "99.9 percentile" sits it represents the boundary between **unexpected loss** and **capital for extreme events.**

However, VaR completely ignores the shape of the curve right of that line. It tells you: "There is a 99% chance our losses will be to the left of this line." However, it remains completely blind to how long or thick that "tail" is on the far right. It treats a tail that drops off instantly the same as a tail that stretches out to catastrophic, bank-breaking losses.

Expected Shortfall (ES) looks at the entire shape of the tail beyond the cut-off at the right of the 97.5 percentile.. ES calculates the mean (average) of all loss scenarios that occur to the right of that line. In visual terms, ES is the weighted average of that entire long, flat slope labeled "Capital for extreme events" all the way to the absolute edge of the horizontal axis ("Loss").

Implementing Basel III Capital Accord - 3

Element:	**CRD VI / CRR3** (2023) (finalising Basel III package), (EU) 2024/1619 / (EU) 2024/1623
ESG-risk provisions:	ESG risk identification, disclosure and management becomes part of the prudential framework: banks must identify, assess, manage, and report ESG risks. These are incorporated into SREP and stress testing
Third country branch regime:	Harmonising supervision of branches of third-country banks in the EU
Governance:	Harmonised rules, e.g. suitability assessment before managers take up their positions
Supervision:	Strengthening supervision via Harmonisation of supervisory powers and tools, e.g. better oversight of complex banking groups including fintech's

Implementing Basel III Capital Accord – 4

Liquidity requirements:

Liquidity Coverage Ratio: $\frac{\text{High quality liquid assets}}{\text{Net cash outflow in 30 days}} \geq 100\%$

Must withstand a stressed funding scenario specified by the regulator

Net Stable Funding Ratio: $\frac{\text{Available stable funding}}{\text{Required stable funding}} \geq 100\%$

This ratio promotes a stable financing of their assets by banks

- A financial stress test to ensure that banks have enough liquid assets to survive a 30-day liquidity crisis
- **HQLA** consists of (1) **unconstrained level 1 assets**, such as cash, central bank reserves and highest-quality sovereign bonds, plus (2) **constrained level 2 assets**, subject to 'haircuts' (valuation discounts) and caps, such as high-quality corporate bonds
- **Total net cash outflow**: the amount of money expected to leave the bank over a 30-day stress scenario, calculated by assigning "run-off" percentages based on how likely a source of funding is to disappear

Implementing Basel III Capital Accord – 5

Own Funds Requirement = **Minimum capital requirement**: Regulatory Capital ≥ 8% RWA *

* RWA = Credit risk RWA + Market risk RWA + Operational risk RWA

Required capital buffer = **Capital conservation buffer** + **counter cyclical buffer** + **systemic risk buffers** – see also next slide

Implementing Basel III Capital Accord – 6

1. **Capital Conservation Buffer** (**CCoB**): **2.5% CET1**

2. **Countercyclical Capital Buffer** (**CCyB**): **0 - 2.5% CET1**
   Note: The EU allows levels above 2.5% in specific cases

3. **Global Systemically Important Institution Buffer** (**G-SII**): **1 - 3.5% CET1**

4. **Other Systemically Important Institution** (**O-SII**) Buffer: **0 - 3% CET1**
   Note: applying O-SII is optional; the EU allows levels above 3% in specific cases

5. **Systemic Risk Buffer** (**SyRB**): **0 - 5% CET1**
   Note: applying the SyRB is optional, and if applied, the SyRB applies to the financial sector or one or more subsectors of that sector; the EU allows levels above 5% in specific cases; This component is broadly aimed at addressing generic long-term non-cyclical systemic risks in the financial system that are not covered by the CRR

Banks must meet 1 + 2 + 3 + max (G-SII, O-SII) + SyRB

Implementing Basel III Capital Accord – 7

- **Leverage ratio** = $\dfrac{\text{Tier 1 capital}}{\text{Total Assets (on- and off-balance sheet)}} \geq 3\%$

A simple minimum capital requirement based on total exposure – a non-risk-based backstop to the risk-based capital requirements. It addresses two main flaws in risk-based frameworks: (1) Model risk & arbitrage, and (2) Measurement error

- **Output floor** ≥ 72.5% of the RWAs calculated using the standardised approach

Banks using IRB must hold capital at least equal to 72.5% of the capital requirement calculated under the Standardised Approach, applied at the total RWA level

CRD VI / CRR III related **AML/CFT rules**

Also included in the European context regarding AML rules:

- The cooperation and exchange of information obligations between prudential and AML authorities is reinforced
- An explicit AML dimension is added to several key prudential instruments, such as authorization, fit and proper tests and the supervisory review and evaluation process.
- In addition, the recent agreed reform of the ESA's entrust the EBA with specific anti-money laundering responsibilities.

The underlying idea is that prudential and AML supervision are complementary and need to go hand in hand

Review CMDI Framework

Crissis Management and Deposit Insurance reform

Regulation (EU) 2026/808 amending Regulation (EU) No 806/2014 (SRMR)

Directive (EU) 2026/806 amending Directive 2014/59/EU (BRRD); and

Directive (EU) 2026/804 amending Directive 2014/49/EU (DGSD)

Crissis Management and Deposit Insurance (CMDI) reform - 1

- **Aim of the reform** - The reform enhances the existing toolkit by providing more options for addressing smaller and mid-sized banks in crisis, while also refining important technical elements of the framework

- **Three legal texts**:

- **Directive (EU) 2026/806 amending Directive 2014/59/EU (BRRD)** as regards early intervention measures, conditions for resolution and funding of resolution action and Directive 2014/24/EU as regards valuation services in resolution
- **Regulation (EU) 2026/808 amending the Single Resolution Regulation (EU) 806/2014 SRMR)** as regards early intervention measures, conditions for resolution and funding of resolution action

- **Directive (EU) 2026/804** amending Directive 2014/49/EU (DGSD) as regards the scope of deposit protection, the use of deposit guarantee schemes funds, cross-border cooperation, and transparency

Crissis Management and Deposit Insurance (CMDI) reform - 2

Key elements include:

- **Expanded Resolution Scope**: The framework now more effectively covers smaller and medium-sized banks. Previously, authorities often struggled to apply resolution tools to these institutions, frequently opting for insolvency proceedings instead
- **Facilitating Safety Net Access**: It creates better pathways to use industry-funded safety nets—such as national resolution funds and the Single Resolution Fund—to support the resolution of failing banks. This "bridge the gap" mechanism reduces the reliance on taxpayer-funded bailouts.
- **Harmonized Depositor Protection**: The reforms harmonize the use of Deposit Guarantee Scheme (DGS) tools across the EU. This provides more predictability for depositors, including citizens, SMEs, and municipalities, by clarifying how their funds will be handled during a bank failure

Crissis Management and Deposit Insurance (CMDI) reform - 3

Key elements include (continue):

- **Creditor Hierarchy**: The reforms adjust the ranking of depositors in the event of a bank failure to ensure more consistent treatment across the Union, facilitating the transfer of deposits to other banks

- **Strengthened Early Intervention**: The rules refine the "failing or likely to fail" assessment and early intervention measures, empowering authorities to act earlier and more decisively to prevent a crisis from escalating

- **Application Dates**: Amendments to the SRMR and DGSD generally apply from 11 May 2028. Amendments to the BRRD apply from 12 May 2028

Retail Investment Strategy (RIS) Package

RIS is a cross-cutting initiative serving both CMU and SIU objectives. The package introduces a more interventionist conduct framework, centered on value-for-money, stricter inducement rules, and enhanced disclosures, with the aim of improving retail investor outcomes while supporting greater participation in capital markets

Retail Investment Package, EC proposal - 1

- The package touches on the entire investment journey of the consumer. It consists of:
  - An amending (Omnibus) Directive, the "**Retail Investment Strategy Directive**", which revises MiFID II, Solvency II, IDD, UCITS, and the AIFMD, regarding distribution rules, investor protection, advice, inducements, and
  - An amending Regulation, the "**PRIIPs amending Regulation**", which revises the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation, regarding product disclosure and the 'three page' standardized document for retail investors regarding costs, risks, performance – the Key Information Document
- Trilogy procedure has been completed in December 2025

Retail Investment Package, EC proposal - 2

The package includes measures to:

- **Improve the way information is provided to retail investors about investment products and services**, in ways that are more meaningful and standardised, by adapting disclosure rules to the digital age and investors' growing sustainability preferences

- **Increase transparency and comparability of costs** by requiring the use of a standard presentation and terminology on costs. This will ensure that investment products bring real **value for money** to retail investors

- **Ensure that retail clients receive at least annually a clear view of the investment performance of their portfolio**

- **Address potential conflicts of interest in the distribution of investment products** by banning inducements for "execution-only" sales and ensuring that financial advice is aligned with retail investors' best interests

Retail Investment Package, EC proposal - 3

Continue measures included in the package:

- **Protect retail investors from misleading marketing** by ensuring that financial intermediaries (i.e. advisors) are fully, and unconditionally, responsible for the use of their marketing communication
- **Preserve high standards of professional qualifications for financial advisors**
- **Empower consumers to make better financial decisions**, by encouraging Member States to implement measures that can support citizens' financial literacy
- **Reduce administrative burdens and improve the accessibility of products and services for sophisticated retail investors**, by making the eligibility criteria to become a professional investor more proportionate
- **Enhance supervisory cooperation** to make it easier for NCAs and ESAs to ensure that rules are properly and effectively applied in a coherent manner across the EU and to jointly fight fraud and malpractices

PSD3/PSR, FIDAR & Instant Payment

The trilogy procedure has been completed

PSD3 / PSR / FIDAR

PSD2 – (EU) 2015/2366

EMD – 2009/110/EG

PSD3 COM(2023) 366 final

PSR

Instant Payment Verordening

FIDAR

Title II PSD2 Sharpened (Market Access & Supervision):

- Licensing and supervisory requirements for payment and electronic money institutions
- Regulations for Home-Host cooperation
- Prudential requirements and rules for safeguarding customer funds
- Access (direct) to payment systems

Titles III and IV PSD2 Sharpened:

- Operational rules for payments
- Strengthened requirements for SCA (Strong Customer Authentication)
- Obligation to provide IBAN-name matching/verification
- Responsibility and liability in case of fraud
- Open-banking API requirements
- Data sharing for fraud detection purposes
- Consumer transparency and complaints

Open finance

- Data holders[1] / users sharing / using data upon request with customer consent
- data must be available for free, securely, in real-time, and in a standardized format

[1] All financial institutions that hold financial data

Instant Payments Regulation, (EU) 2024/886 - 1

- The IPR mandates that banks and payment service providers within the EU must make instant payments in euros widely accessible, affordable, and secure

- **The Four Core Provisions of the Regulation are:**

  - **Mandatory Provision**: Payment service providers that offer standard euro credit transfers are required to provide the functionality to both send and receive these transfers as instant payments.
  - **No Additional Costs**: The fees charged for instant payments must not exceed those charged for standard euro credit transfers. In many cases, this implies that instant payments will be provided free of charge to consumers.
  - **Mandatory Payee Verification** (Confirmation of Payee): Providers must offer a free service that verifies whether the IBAN matches the name of the beneficiary to prevent fraud and erroneous payments.
  - **Sanctions Screening**: Instead of screening each transaction individually (which can cause processing delays), providers are required to screen their customer lists against EU sanctions lists at least daily.

- **Implementation Timeline**: The obligations are being phased in as follows: receiving instant payments in the eurozone: effective from January 9, 2025; sending instant payments in the eurozone: effective from October 9, 2025.

Instant Payments Verordening, (EU) 2024/886 - 2

- **Implementation for non-bank PSPs**: deadline for sending and receiving instant payments is 9 April 2027.

- **Direct access to payment systems**: to facilitate instant payments, payment institutions require direct access to payment systems (such as the ECB's Target Instant Payment Settlement – **TIPS**). This is regulated in:
  - The **Settlement Finality Directive**, which defines payment institutions as "institutions" that can directly participate in payment systems (transposed into Dutch law via the Bankruptcy Act)
  - **PSD3** (art. 35a) laying down requirements for payment institutions seeking direct access to payment systems
  - **SEPA Regulation, (EU) 260/2012**, which establishes the core of the new obligations regarding instant payments
  - **the Cross-border Payments Regulation** (EU) 2021/1230, which stipulates that the charges for instant payments must remain equal to those for standard credit transfers

Better data sharing Regulation between financial supervisors

- **Data sharing** - Regulation amending various financial services regulations as regards certain reporting requirements and the sharing of data – (EU) 2025/2088

- **Focus -** Part of a package to reduce "red tape" for financial institutions by ensuring that supervisory authorities share data more efficiently instead of asking companies for the same information multiple times

- It's one component of the broader “red Tape Reduction” – see also
  - The Sustainability Reporting Omnibus I – amongst others the CSRD & CSDDD amendments to align their reporting timelines and scope
  - Financial Data Access (FIDA), the “Open Finance” Framework, streaming data sharing byond banking

Review Solvency II

Directive (EU) 2025/02, applicable from 29 January 2027

See also the reviewed delegated Act (EU) 2026/269, amending DA (EU) 2015/35 and applicable from 30 January 2027

Review Solvency II – differences compared to Solvency II

Key area:	SII:	Review SII:
Long-term guarantees (capital requirements):	• Based on risk-sensitive models	• More favourable treatment for long-term investments
Sustainability risks:	• Not explicitly required	• Mandatory climate risk scenarios and ESG integration in the prudential framework: insurers must assess and disclose exposure to climate risk
Macro-prudential tools:	• Not explicitly addressed	• Supervisory powers to monitor and mitigate (macro-prudential) systemic risk and powers to require liquidity risk management plans
Proportionality:	• One size fits all - except for exempted insurers	• Tailored rules and reduced burden for SNCUs – reduced compliance costs and simplified governance

Review Solvency II – example: the Risk Margin

Example of a more favourable treatment for long-term investments - **the overhaul of the Risk Margin (RM)**:

- The RM represents the cost of transferring insurance liabilities to a third party: the net present value of the cost of capital that a hypothetical third party would need to hold over time to support the non-hedgeable risks of the insurance liabilities
- **What changed:** the RM is lower and less sensitive to interest fluctuations (especially beneficial for long-term liabilities), due to (1) a reduction of the Cost-of-Capital (CoC) from 6 to 4.75%, and (2) the introduction of the time-dependent lambda factor (λ(t)) to reflect declining risk over time
- The RM is calculated as follows:

$$\text{Risk Margin} = \text{CoC} \times \sum_{t=0}^{T} \frac{\lambda(t) \cdot \text{SCR}(t)}{(1 + r(t+1))^{t+1}}$$

Where: **λ(t)** is the time-dependent factor ($0 < \lambda \leq 1$), **SCR(t)** the SCR for non-hedgeable risks at time t, **r(t+1)** the risk-free rate for year t+1, **CoC** the Cost-of-Capital rate (4.75%), and **T** the time horizon over which the liabilities run off.

The risk-free interest rate curve is under the revised approach the same, but with reduced sensitivity to interest rate volatility

Under the revised approach, the RM no longer overestimates capital needs for long-term products, no longer create artificial volatility in insurers' balance sheets and no longer discourage long-term investments

Review Solvency II – example: the Volatility Adjustment

Example of a more favourable treatment for long-term investments - **the redesign of the Volatility Adjustment (VA)**:

- Under Solvency II, the Volatility Adjustment (VA) is a mechanism that adjusts the discount rate used to value insurers' liabilities

- It works by adding a spread to the discount curve, which reduces the net present value (NPV) of liabilities when market spreads widen. This dampens artificial volatility in solvency ratios caused by short-term market movements rather than real changes in credit risk

- The Solvency II reform makes the VA:
  - More risk-sensitive → better separation between temporary illiquidity spreads and actual credit losses
  - More counter-cyclical in stress → a "macro-VA" strengthens the buffer during system-wide market shocks
  - More consistent across the EU → reduced country fragmentation
  - Better calibrated with safeguards → stronger smoothing without overstating solvency

- **Bottom line is that the VA reduces the net present value of liabilities by increasing the discount rate in response to temporary market spread widening, smoothing solvency ratios during short-term market stress rather than directly offsetting asset movements—now in a more targeted and crisis-responsive way under the Solvency II Review**

Review Solvency II – examples of macro-prudential tools

Examples of Macroprudential tools:

- **Macroprudential information in the ORSA** (Art. 45(1)): Where requested by the NSA, insurance undertakings should be required to factor any relevant macroprudential information [1] provided by the supervisory authorities into their ORSA

- **Prudent person principle (***Art. 132(6,7)):* Where requested by the NSA, insurance undertakings shall factor in macroprudential risks and systemic impacts when making investment decisions.

- **Macroprudential tools:**
  - **Liquidity risk management**: (recorded in a liquidity plan) so insurance undertakings always maintain sufficient liquidity to meet their obligations, including during stressed conditions
  - **Supervisory powers to remedy liquidity vulnerabilities:** if liquidity risks may cause an imminent threat to the protection of policy holders the NSA can restrict dividend distributions, restrict bonusses or other variable remuneration
  - **Supervisory measures to preserve the financial position of undertakings:** during exceptional sector-wide shocks, The NSA can – among other things – restrict dividend distributions etc.

[1] That is to say: macroprudential concerns that may affect the specific risk profile and risk tolerance limits, the underwriting activities or the investment decisions, and the overall solvency needs of the undertaking

Review Solvency II – examples of proportionality measures - 1

Examples of proportionality measures (1)

- **Governance:** *Art. 41*
  Simplified governance system possible:
  1. Combination of key functions - other than the IAF - with each other and with other functions is permitted, if conflicts of interest are avoided and the persons concerned can fulfil their responsibilities
  2. (written) governance policies shall be reviewed at least every five years (instead of annually)

- **ORSA:** *Art. 45*
  Simplified Own Risk and Solvency Assessment (ORSA) – less frequent (every two years instead of annually) and less detailed (climate change and other catastrophes are left outside the ORSA)

- **Liquidity risk:** *Art. 144a*
  Reduced requirements for liquidity planning and risk assessment: SNCUs are not obliged to draw up a liquidity risk management plan referred to in Art. 144a(2)

Review Solvency II – examples of proportionality measures - 2

Examples of proportionality measures (2)

- **TP:**
  Art. 77(8)

  Simplified valuation methods of Technical Provisions (**TP**), e.g. where (re)insurance contracts include financial options and guarantees, SNCUs may use a prudent deterministic valuation of the best estimate for life obligations with options and guarantees that are not deemed material

- **SCR:**
  Art. 109(1) & 213a

  - Simplified approaches for certain Solvency Capital Requirement (**SCR**) sub-modules (e.g. counterparty risk, underwriting risk): SNCUs may use simplified risk calculations if each module is under 2% of BSCR and all together under 10%, subject to supervisory approval every five years
  - Some use of proportionality measures for groups classified as 'small and non-complex groups' (Art. 213a)

- **RSR:**
  Art. 35

  Reduced frequency and scope of Regular Supervisory Reporting (**RSR**)

Review Solvency II – examples of proportionality measures - 3

Examples of proportionality measures (3)

- **SFCR:** *Art. 51*

  Simplified Solvency and Financial Condition Report (**SFCR**) – shorter and more accessible:
  1. Specification of climate change scenarios or assessment of their impact on the entity's business is not required
  2. SNCUs may disclose only the quantitative data required by the implementing technical standards referred to in Article 56 in the part of the solvency and financial condition report consisting of information targeted at other market professionals, if they disclose a full report containing all the information required in this Article every three years

- **SFCR-audit:** *Art. 51a*

  Exemptions in external audit requirements: the balance sheet disclosed as part of the SFCR, shall not be subject to an audit

- **Disclosure:**

  Reduced sustainability disclosure obligations in Article 19a of Directive 2013/34/EU (on sustainability reporting)

(Insurers) Recovery and Resolution (R&R) Directive

(EU) 2025/01

Key elements & Resolution powers R&R Directive

Key elements:

Applies from:	30 January 2027
Goal:	Harmonise insurance recovery/resolution procedures across the EU
Target entities:	(re)insurers, and related holding entities
Focus:	Protect policyholders; maintain critical (re)insurance functions
Coordination:	Resolution colleges & cross-border recognition

Resolution Powers:

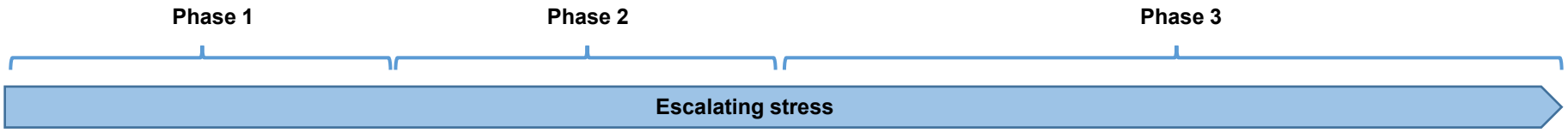
- **Control:** Power to replace management / take temporary control over the insurer
- **Business transfers:** Power to transfer assets to a private party or to a temporary “bridge institution”
- **Asset separation:** Transfer impaired or high-risk assets into an asset management vehicle (bad bank–style) to clean up the balance sheet
- **Bail-in:** Write down equity and certain debt instruments, or convert debt into equity to restore capital position
- **Moratoria:** Temporarily suspend policyholder claims, payments, or rights of withdrawal

Safeguards R&R Directive

Safeguards: *(protections built into the framework)*

- **No Creditors Worse Off:** Shareholders and creditors must not be left worse off than they would have been under normal insolvency proceedings
- **Policy holder protection:** Resolution must prioritise continuity of critical insurance services (claims handling, ongoing coverage); in transfers, policyholders' rights remain intact
- **Respect for hierarchy of claims:** Losses are imposed following the normal ranking of claims under national insolvency law (shareholders first, then subordinated debt, etc.)
- **Judicial remedies:** Affected parties can challenge resolution decisions in court, though challenges should not unduly delay resolution actions
- **Fair compensation:** When the "No Creditors Worse Off" is breached, affected shareholders or creditors are entitled to compensation
- **Transparency & Accountability:** Resolution authorities must explain decisions, justify use of tools, and report outcomes

Recovery and Resolution – schematic overview of the three tiers



Preparation phase

1. Preparation by the insurer of a preliminary crisis plan that provides insight into the recovery options available when the insurer no longer meets, or is at risk of no longer meeting, the financial solvency requirements
2. Removal of the obstacles to resolvability identified by DNB
3. Approval of the crisis plan by DNB (which DNB already does under Article 3:17 of the Wft).
4. Preparation of the resolution plan by DNB

Herstelfase

Intervention ladder:

- When the SCR is breached, the insurer must prepare a recovery plan to restore compliance with the requirements within six months.
- When the MCR is breached, the insurer must prepare a short-term plan to restore compliance with the requirements within a maximum of three months

Resolution Phase

1. Assessment of the need for resolution
2. Resolution is initiated when recovery options have been exhausted and the insurer is failing or likely to fail

Excluded from objection, and therefore direct appeal to the CBB is possible (in line with the regime under Articles 6:6 and 6:7 of the Wft and the regime applicable to banks)

1. **Decision to enter resolution and to apply the transfer tools, subject to the applicable safeguards.**
   - No creditor worse off
   - Legal protection: same as for banks – no civil-law legal protection but administrative-law protection (Awb), as the measure constitutes a decision by DNB, with the possibility of appeal before the Rotterdam District Court and further appeal before the CBB

CCD2 – *Revised Consumer Credit Directive*

Directive (EU) 2023/2225

CDD2 - key issues - 1

NI implementatie: Implementatiewet herziene richtlijn consumenten krediet

- **Transposition** into national law by 25 November 2025 at the latest; applicable as of 25 November 2026
- **Two key issues:**

1. **Strengthening the position of consumers / Harmonisation of consumer protection (CCD II) regarding:**
    - **Scope**: Directive (EU) 2023/2225 replaces (EU) 2008/48; lower limit of €200 is abolished; inclusion of, among others, BNPL products (Buy Now, Pay Later), small loans (specifically via platforms), and hire purchase/financial lease with an option to purchase
    - **Protection of vulnerable groups through a ban on BNPL for minors and mandatory age verification**
    - **Mandatory creditworthiness assessment**
    - **Enhanced transparency** through stricter (pre)contractual disclosure requirement
    - **Obligatory assistance** to be provided by lenders to consumers in financial distress

CDD2 - key issues - 2

Two key issues (continue):

2. Strengthening (of maximum) harmonisation of supervisory rules for providers and intermediaries:

- Licensing or registration requirement for providers (licence – art. 2:60 Wft) and intermediaries (registration – art. 2:81 Wft), other than credit institutions or payment institutions

- Mandatory affiliation with the BKR for registration and consultation

CDD2 - views ECB, ESRB & EBA

- **ECB** (Lagarde, 2025): Non-bank consumer credit providers should be subject to stronger regulation and supervision when they engage in bank-like activities or pose systemic risks

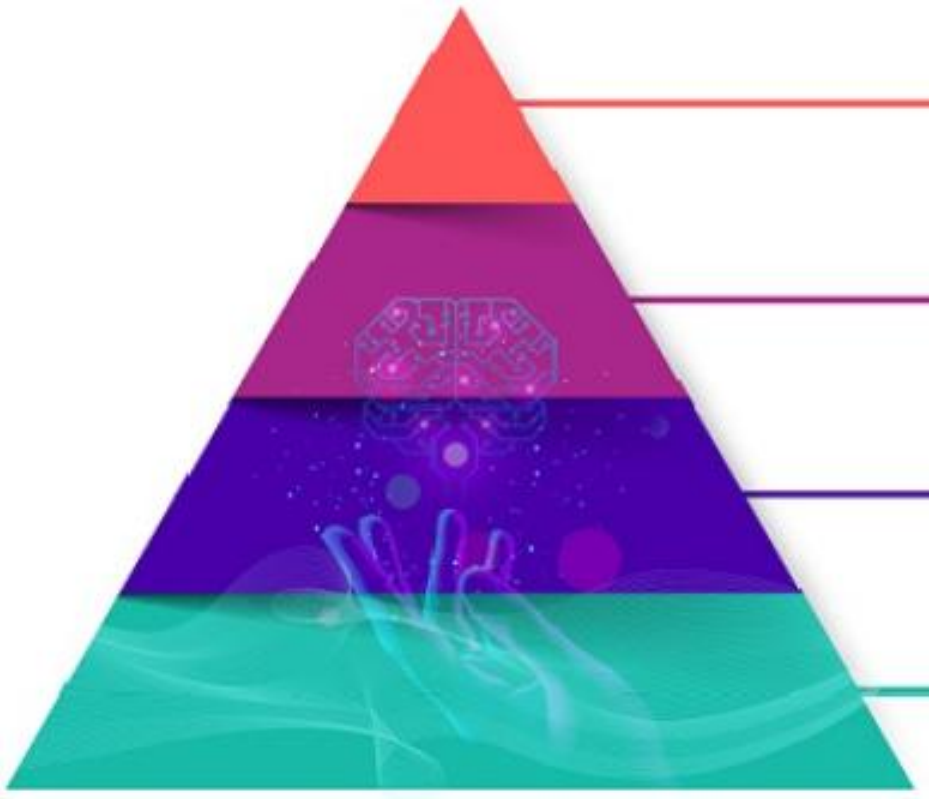
- **ESRB** "EU Non-bank Financial Intermediation Risk Monitor 2025": The current regulatory perimeter does not fully capture emerging vulnerabilities in the non-bank sector - such as leverage, liquidity mismatches, and interconnectedness with banks. ESRB is calling for enhanced oversight and potential macroprudential tools for non-banks

- **EBA** Fact-Finding Report on Creditworthiness Assessment Practices of Non-Bank Lenders (August 2024): Many non-bank lenders apply weak creditworthiness checks and operate under uneven national regulatory regimes. The EBA explicitly noted the need for harmonised EU-level supervision of non-bank consumer credit providers to prevent regulatory arbitrage and consumer over-indebtedness.

EU Artificial Intelligence Act

Regulation (EU) 2024/1689

EU Artificial Intelligence Act - classification by risk levels



On 1 August 2024, the European Artificial Intelligence (AI) Regulation (EU) 2024/1689 entered into force, introducing a risk-based approach with 4 levels of risk for AI systems: [1]

Unacceptable risk - prohibited as of February 2, 2025
Example: AI systems for real-time biometric identification in public spaces; for subconsciously influencing a person's behavior (subliminal manipulation)

High risk - strictly regulated as of August 2, 2026
Example: AI systems used: in critical infrastructure (e.g., transportation); in essential services, such as credit scoring that could deny citizens the ability to obtain a bank loan or life insurance)

Limited risk - transparency obligations as of August 2, 2025
Example: General-purpose AI systems, such as chatbots (when using them, people must know that they are interacting with a machine), and AI-generated content (when publishing content on matters of public interest, that content must be labeled as artificially generated).

Minimal risk – unregulated
Example: These systems are free to use and not subject to regulations, such as AI-compatible video games or spam filters

1. Zie ook de aanzet voor een visie van AFM/DNB: *"De impact van AI op het financiële toezicht en het toezicht", april 2024*

EU Artificial Intelligence Act - additional for general-purpose models:

Additionally, for general-purpose AI models that can be integrated into AI systems (ChatGPT, Gemini and the like):

- Transparency to AI system providers using the AI model, to assess their systems' compliance with the AI Regulation
- Respecting European copyright law when using data
- Ongoing assessment and mitigation of any systemic risks, conducting tests and evaluations, and reporting serious incidents

EU Artificial Intelligence Act - assessment of high-risk AI-systems

Step 1	Step 2	Step 3	Step 4	step5
A high-risk AI system has been developed	Conformity assessment: are the rules for high-risk AI systems being met?	Registration of stand-alone AI systems in an EU database	The AI system can be marketed	In case of substantial changes, return to step 2

▪ **Risk management:**	The AI system is subject to an ongoing assessment of all inherent risks, such as the risk of discrimination, and privacy breaches, and their management to acceptable risks
▪ **Data quality:**	The AI system is trained with data that is representative, free of bias and of high quality
▪ **Transparency:**	The AI system works in an understandable way, and the results are traceable

EU Artificial Intelligence Act - assessment of high-risk AI-systems

▪ **Human oversight:**	The AI system is supervised and can be overridden by humans
▪ **Documentation:**	The AI system is extensively documented, including the development, training, testing and implementation of the AI system.
▪ **Accuracy & cybersecurity:**	The AI system provides an appropriate level of accuracy, robustness and cybersecurity
▪ **Declaration of conformity:**	The provider of the AI system has issued a statement that the system complies with all the requirements of the AI Regulation

EU Artificial Intelligence Act – assessment of high-risk ‘black boxes’

Pattie Maes, professor aan het invloedrijke Media Lab van MIT nabij Boston Foto: Karoly Effenberger

Interview • 7 okt 10:43

MIT-hoogleraar Pattie Maes: ‘Niemand snapt hoe taalmodellen werken, ook de bedrijven erachter niet’

EU Artificial Intelligence Act, AI compliance checklist - 1

1. **Classify your AI-System**: is the system forbidden, high-risk, limited risk, of minimal risk?

2. **Documentation & record-keeping**: detailed information about the AI-systems' architecture, training data sources, records of system performance & updates, traceability of decisions made by the AI-system

3. **Risk management & assessment**: a risk-assessment for high-risk systems, identify potential harms to fundamental rights, safety and privacy, and implement mitigation measures, if necessary, and update them regularly

4. **Human oversight:** clear procedures for human intervention, ensure users can override or stop the AI system when necessary, and train staff on how to monitor and supervise AI outputs

EU Artificial Intelligence Act - AI compliance checklist - 2

5. **Data governance:** ensure training, validation and testing data is relevant, representative and free of bias, and comply with GDPR and implement safeguards for sensitive data (e.g. biometric, health)

6. **Conformity assessment**: for high-risk systems perform conformity assessment and prepare for regulatory audits

7. **Register in the EU database:** But only in case of a high-risk system

8. **Monitor & update internal governance**: appoint a compliance officer & provide for training facilities for employees

EU Artificial Intelligence Act - simplifications

“Digital Omnibus”, core of the **European Commission’s new digital package**’ (slide 82), streamlining rules on AI, cyber security and data, complemented by a **Data Union Strategy** (slide 83)

Simplifying the AI Regulations means:

1. **Delayed Deadlines for High-Risk AI:** Companies are granted up to **16 months extra to comply with high-risk AI system rules**, ensuring that obligations only apply once the necessary technical standards and support tools are fully available

2. **Expansion of certain simplifications for SMEs to "Small Mid-Caps" (SMCs):** **Compliance simplifications** and support measures previously reserved for SMEs are extended to **Small Mid-Caps** (companies with up to 499 employees), including simplified technical documentation requirements

EU Artificial Intelligence Act - simplifications

Simplifying the AI Regulations (continued):

3. Broaden compliance measures:	Measures so more innovators can use regulatory sandboxes, including an EU-level sandbox from 2028 and more real-world testing, especially in core industries like the automotive
4. Centralised Oversight:	**The role of the EU AI Office is strengthened and centralised oversight of AI-systems built on general-purpose AI models** to provide more uniform guidance and reduce the administrative burden caused by fragmented national oversight.

Digital Finance Package (DFP)

DORA, MiCA, DLT Pilot

DFP - Digital Operational Resilience Act (DORA)

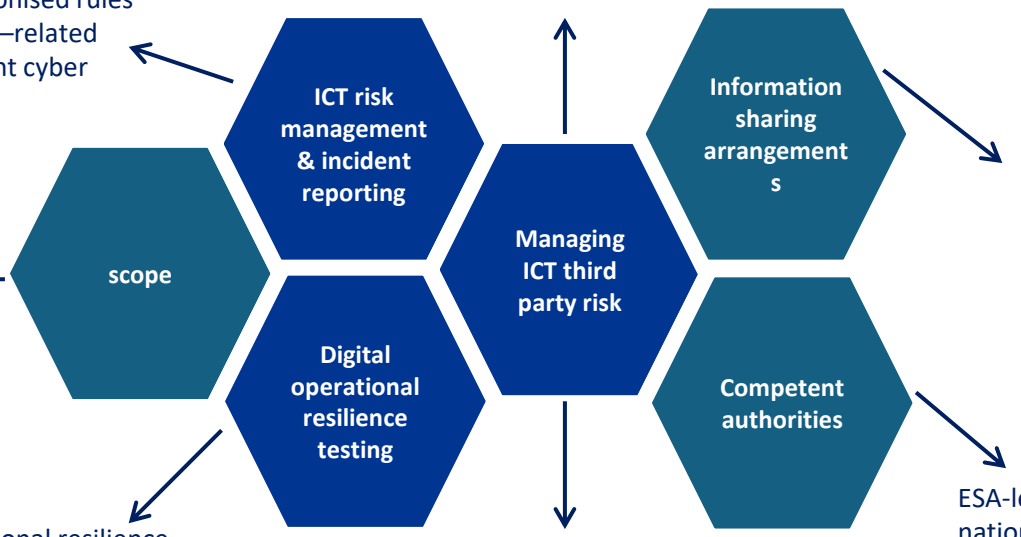
(EU) 2022/2554

DFP – DORA, Structure of DORA

Building blocks DORA – a uniform ICT risk management system for financial institutions - (EU) 2022/2554 - **Apply from 17 January 2025**

- Oversight framework for critical third-party service providers
- Requirements related to contractual outsourcing arrangements & ICT risk management
- Assessment of ICT concentration risk at entity level

- Cross-sectoral harmonised rules
- Reporting major ICT –related incidents & significant cyber threats



information and intelligence sharing in relation to cyber threats and vulnerabilities

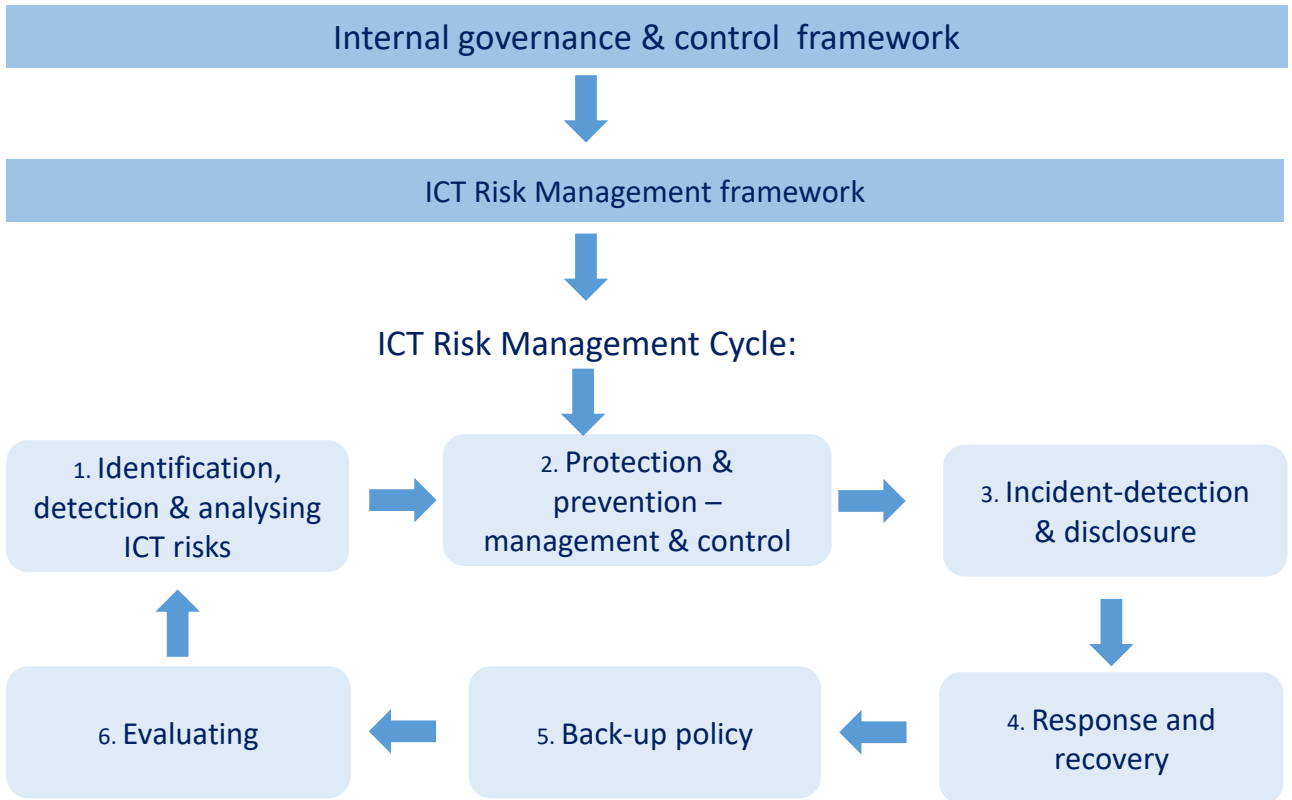
EU-regulated financial institutions and related entities

Digital operational resilience testing - Threat led penetration testing – in NL TIBER

Powers lead overseer: (1) Full access & audit rights, (2) Submitting recommendations, (3) Public notice about non-compliance with recommendation

ESA-lead overseer & national competent authorities

DFP – DORA, ICT risk management framework



DFP DORA, outsourcing

Key contractual provisions on outsourcing *(of critical or important operational functions or activities)*

Art. 274(4) Solvency II Regulation

a. Commitment TPSP to comply with applicable law and cooperate with the insurer's supervisor
b. Obligation of TPSP to disclose relevant information
c. Termination of contract in relation to exit clauses
d. Right of insurer to instruct the TPSP
e. Guarantees on data protection
f. Access for the insurer, its accountant and supervisor to all relevant information of the TPSP en (for the supervisor) to the TPSP's premises
g. Term and conditions for sub-outsourcing, and that it will not affect the TPSP's duties and responsibilities

Art. 30 DORA

Corresponding requirements in art. 30 DORA, **although more in detail**

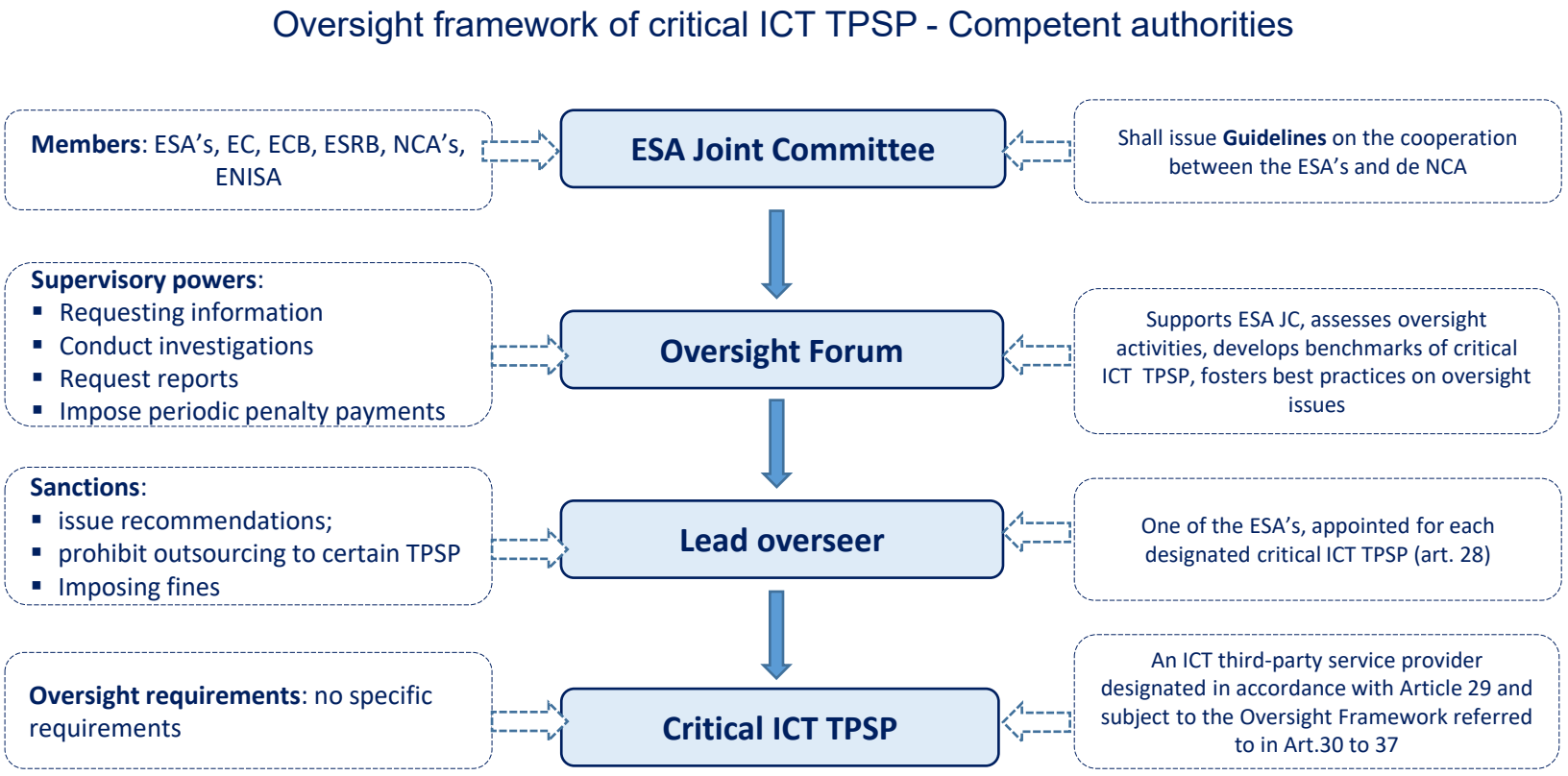
Art. 31(1) DORA: recommendations aimed at corrective action by the TPSP regarding the nature or quality of its services

Art. 37(2) DORA: cooperation of financial entity with the regulator who can prohibit the entity from outsourcing services to the TPSP

Additional in DORA:

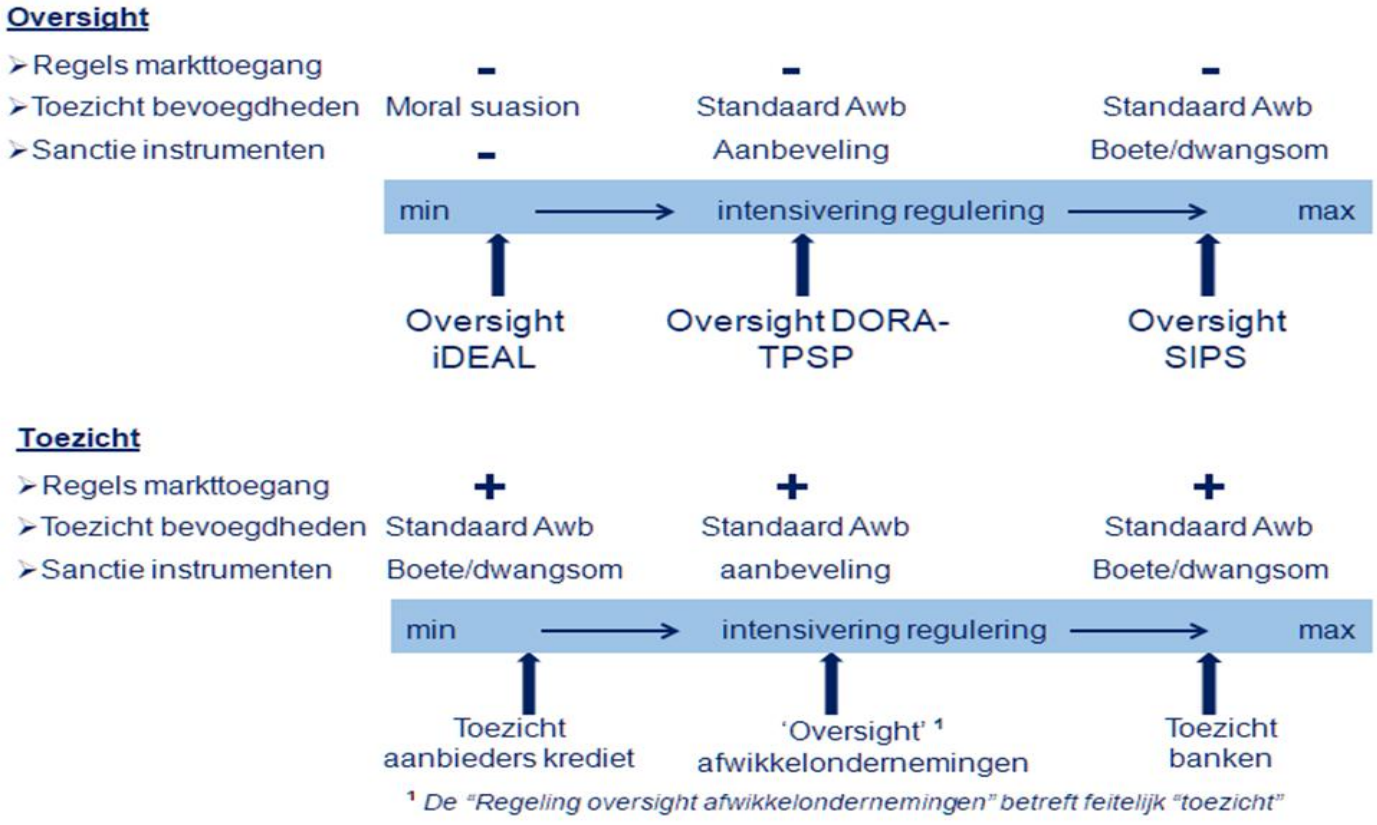
- Obligation of TPSP to inform the financial entity of the content of art. 31(1d) recommendations in order to allow the financial entity to comply with the art. 37(2) obligation (part of exit strategies)
- The obligation of the TPSP to participate and fully cooperate in a threat led penetration test of the financial entity as referred to in Article 23 (part of exit strategies)

DFP – DORA, oversight framework



DFP – DORA, *'Oversight' versus 'Supervision'*

Difference between 'oversight' and 'supervision'



DFP – DORA, Level 2 Regulations

Managing of ICT third-party risk - 28(9)

ITS on standard templates for the register of information in relation to all contractual arrangements on the use of ICT services provided by ICT TPSP
- (EU) 2024/2956

- Exempted: certain small financial institutions (referred to in Art. 16 DORA & microenterprises – enterprises with fewer than 10 employees and maximum annual turnover and/or balance sheet of EUR 2 million

Managing of ICT third-party risk - 41(2)

RTS on harmonising of conditions enabling the conditions for oversight conduct - (EU)2025/295

- Information to be provided by ICT TPSP in the application to be designated as critical
- Information to be submitted by the critical TPSP to the lead overseer
- Information from the TPSP after the issuance of recommendations
- Competent authorities' assessment of the risks addressed in the recommendations of the lead overseer

ICT-related incident management - 20(3)

RTS on harmonisation of reporting content regarding major ICT-related incidents
- (EU) 2025/301

- Information to be provided – content and lime limits for the initial notification of, and intermediate and final report on, major ICT-related incidents, and the content of the voluntary notification for significant cyber threats

ICT-related incident management - 18(4)

RTS on the classification of ICT-related incidents and cyber threats
- (EU) 2024/1772

- specifying the criteria for the classification of ICT-related incidents and cyber threats
- Setting out materiality thresholds
- Specifying the details of reports of major incidents

DFP – DORA, Level 2 Regulations

Managing of ICT third-party risk - 28(10)

RTS specifying the detailed content of the financial entity's strategy on the use of critical ICT third-party service providers - (EU) 2024/1773

- Exempted: certain small financial institutions (referred to in Art. 16 DORA & microenterprises – enterprises with fewer than 10 employees and maximum annual turnover and/or balance sheet of EUR 2 million
- Overall risk profile and complexity
- Governance issues
- phases of the life cycle for the adoption and use of contractual arrangements
- Selecting TPSP – Due diligence
- Contractual clauses and monitoring the contractual arrangements
- Exit from and termination of the contractual arrangements

ICT risk management - 15

RTS harmonising of ICT risk management tools, methods, processes and policies - (EU) 2024/1774

- Specifying ICT risk management tools, methods, processes, and policies
- Specifying the simplified ICT risk management framework for financial entities referred to in Article 16(1) of DORA (smaller institutions)

Managing of ICT third-party risk - 43(2)

DAC determining the amount of oversight fees charged by the lead overseer
- (EU) 2024/1505

Managing of ICT third-party risk – 31(6)

DAC specifying the criteria for designating ICT-third party service providers as critical for financial entities - (EU) 2024/1502

- Criteria related to the systemic impact of ICT TPSP on the stability, continuity or quality of the provision of financial services
- Criteria related to the systemic character and importance of the ICT services provided to financial entities
- Criteria related to the criticality or importance of the functions

DFP – DORA, Guidelines

JC 2024 36	JC 2024 34	EBA/GL/2025/02
Joint Guidelines on the oversight cooperation and information exchange between the ESAs and the competent authorities under Regulation (EU) 2022/2554	**Joint Guidelines o**n the estimation of aggregated annual costs and losses caused by major ICT-related incidents under Regulation (EU) 2022/2554	Amendment of the existing **Guidelines EBA/202904 on ICT and security risk management**. The Guidelines have been limited in scope for entities that fall under DORA, to avoid overlaps with the new harmonised rules

DFP - Markets in Crypto Asset Regulation – MiCAR

(EU) 2023/1114

DFP - MiCAR, definitions

- **Geldt:** Gefaseerd vanaf 30 juni 2023 (stable coins) tot 30 december 2024

- **Crypto-asset:** A digital representation of value or rights which may be transferred and stored electronically, using DLT or a similar technology

- **DLT:** **D**istributed **L**edger **T**echnology, a technology that enables the operation and use of (digital) distributed ledgers, where ‘distributed ledger’ means an information repository that keeps records of transactions and that is shared across, and synchronised between a set of DLT network nodes using a consensus mechanism

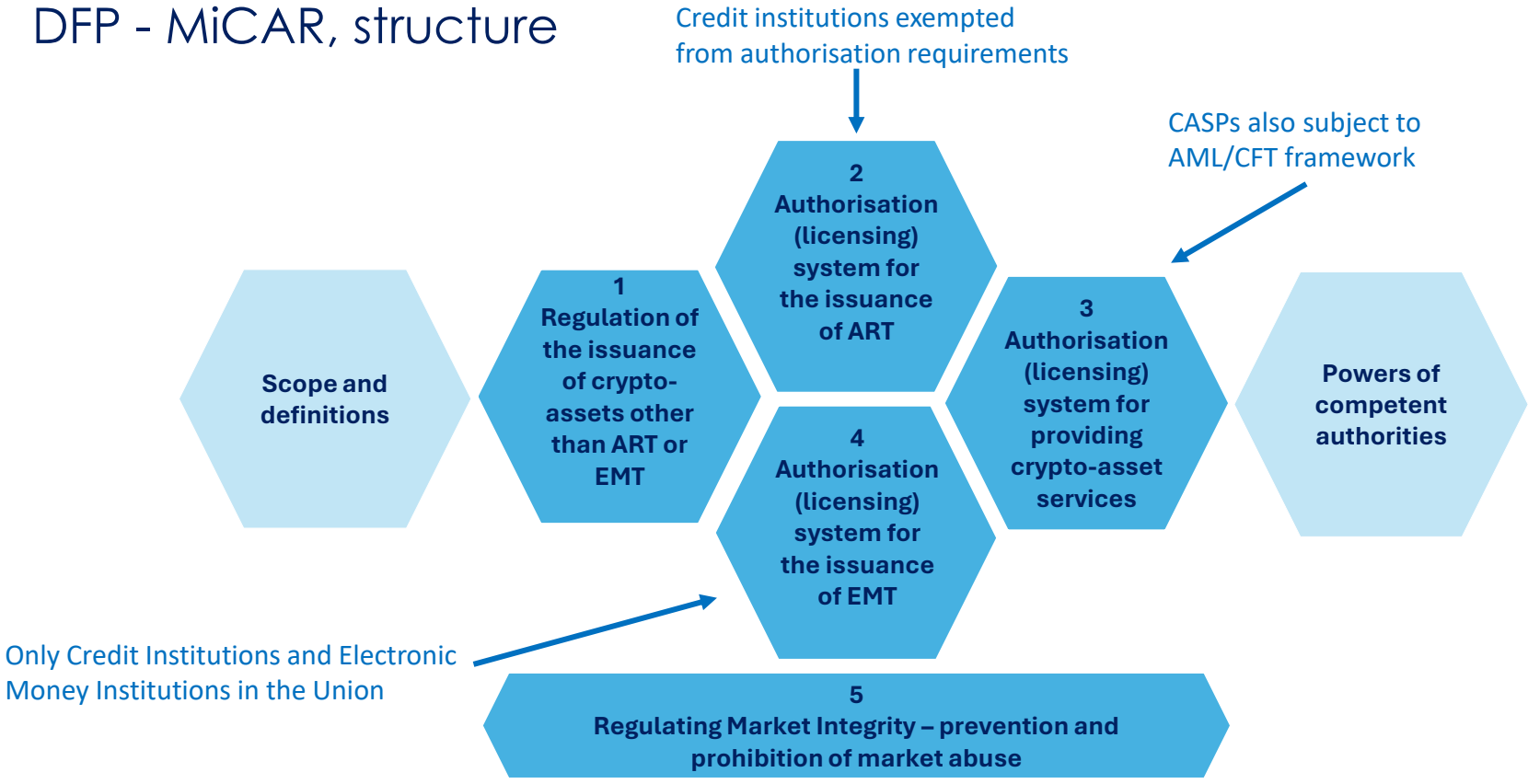
- **ART:** **A**sset **R**eferenced **T**oken, a type of crypto-asset (other than electronic money tokens) that seeks to keep a stable value by linking to a currency, asset, or a mix of both. This includes algorithmic stablecoins, which use protocols to adjust supply based on demand to maintain their value

DFP - MiCAR, definitions

- **EMT:** **E**lectronic **M**oney **T**oken, a type of crypto-asset that purports to maintain a stable value by referencing the value of one official currency (= tokenised money)

- **Crypto asset services:** Custody and administration on behalf of third parties; operation of a trading platform; exchange or placing of crypto-assets; execution or reception and transmission of orders in crypto assets; advising or portfolio management

DFP - MiCAR, structure



DFP - MiCAR, exemptions

- Crypto-assets qualifying as financial instruments, bank deposits, or ‘funds’ as defined in PSD2, as insurance and pension products, or as securitisation positions

- Crypto-assets that are unique and not fungible with other crypto-assets, such as non-fungible tokens without fractional ownership [1]

- Exempted from the rules related to public offerings in Title II, but not exempted form the rules related to admission to trading are Crypto-assets:

  - representing existing goods (utility tokens);

  - offered for free or as a reward for maintenance of the DLT or validation of transactions; or

  - giving the holder the right to use it only in exchange for goods and services in a limited network of merchants with contractual arrangements with the offeror

[1] All sorts of non-fungible tokens (NFTs) offered to the public at a fixed price, such as cinema tickets, and digital art, will be exempt from the scope of MiCA – like crypto-assets representing existing goods. However, the fractional parts of a unique and non-fungible crypto-asset should not be considered unique and non-fungible and therefore issuing such fractional parts is subject to MiCA.

DFP - MiCAR, Authorisation of issuers of ART / veto power ECB - 1

- **Ex ante authorisation** of service providers being legal persons established in the Union, or a credit institution in the Union
- **Authorisation requirements:**
  - Whitepaper
  - Market communication rules
  - Fit & proper rules for management body
  - Rules on governance, risk management & business conduct (acting in the best interest of ART-holders)
  - Complaint handling procedures and managing and disclosing conflicts of interest
  - (minor) minimum own funds requirements

DFP - MiCA, Authorisation of issuers of ART / veto power ECB - 2

- **Authorisation requirements:**
  - Reserve of assets requirements: segregation of funds, quality requirements, and detailed custody policies, investment restrictions (highly liquid, with minimal market-, credit-, and concentration risk (as a minimum 30% should be held as bank-deposits; 60% in case of significant ART)
  - Stabilisation mechanisms
  - Investment of reserve of assets
  - Rights of ART-holders: **- right of redemption of the ART - at market value**
  - Ongoing information to ART-holders
  - Specific additional obligations for significant ART

DFP - MiCAR, Authorisation of issuers of ART / veto power ECB - 3

An ART is significant if at least 3 of the following thresholds are applicable:

1. The number of holders > 10 million
2. The value of the ART issued, its market capitalisation, or the size of the reserve assets > EUR 5 billion
3. The (1) number and (2) value of daily transactions > (1) 2.5 million and (2) EUR 500 million
4. The issuer of the ART is a provider of core platform services designated as gatekeeper in accordance with the Digital Markets Act
5. The significance on an international scale of the activities of the issuers (Further specified in RTS (EU) 2024/1506)
6. The interconnectedness with the financial system (not further specified in MiCAR)
7. The issuer of the ART issues at least one additional ART or EMT, and provides at least one crypto-asset service

DFP - MiCAR, Authorisation of issuers of ART / veto power ECB - 4

Additional requirements for issuers of significant ART:

- Remuneration policy
- Assessment of liquidity needs to meet redemption requests, including liquidity stress testing, and
- maintenance of a recovery and redemption plan in case of non-compliance
  - A **recovery plan** is required providing for measures to be taken by the issuer of the ART to restore the compliance with the requirements applicable to the reserve of assets when the issuer fails to comply with those requirements
  - A **redemption plan** is required to support an orderly redemption of each ART to be implemented upon a decision by the competent authority where the issuer is unable or likely to be unable to comply with its obligations
- **Competent authority**: EBA

MiCAR – Supervisory authorities regarding Crypto-Assets (CA)

ESMA
Maintains public registers & coordinates supervision

NSA
CA-issuers & CASP

Issuers of CA - disclosure requirements fort public offerings

CASP – MiFID-like services and MiFID-like requirements on authorisation & ongoing supervision

ECB
Significant ARTs & EMTs

'Significant' based on criteria like market cap., transactions volume & number of users

ARTs – pegged to assets; require authorisation; subject to capital, governance and reserve requirements

EMTs – pegged to one fiat currency; issuers must be banks or EMIs; ; subject to EMD & MICAR transparency rules

ECB & other NCB
Stability issues

Veto power in case of a negative opinion on the potential impact of the token on monetary policy transmission or financial stability, or the smooth operation of payment systems

MiCAR - Relation to other EU frameworks

- MiFID II / MiFIR → traditional financial instruments
- DORA → ICT and cybersecurity requirements
- AML & TFR → anti-money laundering for crypto
- PSD2 → payments service rules
- EMD2 → e-money rules for EMT issuers

MiCAR – **33** level 2 & 3 regulations

4 DA

- EBA-fees to issuers of significant ART/EMT
- Procedural rule for imposing fines on issuers of significant ART/EMT
- Criteria fore classifying ART/EMT as significant
- Criteria in relation to the use of intervention powers

12 RTS

- Complaints handling ART
- Complaints handling CASPs
- Approval CA-white paper
- Estimate value ART/EMT denominated in a non-EU currency
- Continuity in performance of CA-services
- CASPs-Notification requirements
- Information exchange between competent authorities
- Authorisation of CASPs
- Content orderbook records for operating a CA-trading platform
- Transparency data related to CA-trading platforms
- Cooperation arrangements with third country supervisors
- Consultive supervisory colleges

5 ITS

- Templates info. Exchange between competent authorities & EBA / ESMA
- Templates info. Exchange between competent authorities
- Disclosure of inside information
- Reporting transactions in ART/EMT denominated in a non-EU currency
- Forms for the CA-white papers

12 GL

- Protocols related to admission to trading of CA, other than ART/EMT
- Initiative test for non-EU CASPs
- Rights of clients in the context of CA-transfer services
- Classification CA
- Liquidity stress test scenario's
- Issuer's compliance under Titles III and IV of MiCA
- Governance arrangements of ART-issuers
- Suitability of CASPs board members
- Suitability of CASP-board members
- Suitability holders of qualified holdings in a ART issuer / CASP
- Redemption plans
- Recovery plans

DFP - DLT Pilot Regime

Regulation 2022/858

DLT - Pilot Regime - 1

- **Regulatory Sandbox** – allowing financial market participants to test DLT-based solutions for trading and settling financial instruments by granting temporary exemptions from certain requirements of MiFID II, MiFIR, and CSDR

- **Three types of DLT-based market infrastructures allowed** - (as of early 2026):

  - **DLT MTF** - trading in DLT financial instruments only

  - **DLT SS** - A settlement system that settles DLT financial instruments against payment or delivery

  - **DLT TSS** - A combined trading and settlement system, allowing both functions to be performed by a single entity

DLT - Pilot Regime - 2

Proposed amendments (2025/2026):

- **Removal of Time Limits** - The temporary nature of permissions is being removed to provide long-term regulatory certainty for investors
- **Scale Increase** - The total value threshold for financial instruments intermediated under the pilot is being raised from €6 billion to €100 billion
- **Expanded Asset Scope** - The regime is expanding from only shares, bonds, and UCITS units to all financial instruments, regardless of type
- **New Participants** - CASPs authorized under MiCA will be allowed to participate in the Pilot
- **Simplified Regime** - A new "simplified regime" for smaller firms servicing up to €10 billion in assets is being introduced to reduce their compliance burden
- **Settlement Schemes** - Introduction of a novel settlement model where "DLT account keepers" can jointly set up a settlement scheme supervised by ESMA

European Commission's Cross-sector digital package impacting finance

European Commission's Cross-sector digital package impacting finance - 1

At its core, the **New digital package** includes a **digital omnibus** that streamlines rules on AI, **cybersecurity & data** (this slide), complemented by a **Data Union Strategy** to unlock high-quality data for AI and **European Business Wallets** that will offer companies a single digital identity to simplify paperwork and make it much easier to do business across EU Member States – not specific financial services legislating, but crucial for financial institutions

- **Simplifying Cybersecurity incident reporting:** **A single-entry point** where companies can meet all incident-reporting obligations (amongst others: obligations contained in the NIS2 Directive, GDPR, and DORA)

- **Improving access to data:** Improving access to data amongst others by consolidating EU data rules through the **Data Act**, **unlocking access to high-quality and fresh datasets** for AI

European Commission's Cross-sector digital package impacting finance - 2

- **Data Union Strategy:** This Strategy aims to increase access to high-quality data for AI development in the EU through the introduction of tools like **data labs** and a **Data Act Legal Helpdesk** to help implement the Data Act. It also focuses on protecting Europe's data sovereignty, including measures to prevent data leakage, protect sensitive non-personal data, and ensure EU data is treated fairly abroad

- **European Business Wallet:** This will be a **unified digital tool** for companies and public sector bodies across the EU, allowing businesses to digitally sign, store, exchange, and verify documents, and communicate securely in all EU Member States, to make cross-border business activities easier

Revised AIFMD & UCITS

Directive (EU) 2024/927

Key issues AIFMD, (EU) 2011/61/EU – aim, focus & scope

- **AIM AIFMD**: bringing unregulated fund managers, such as hedge funds and private equity funds into a centralized EU regulatory framework
- **Focus AIFMD**: regulating the AIFM (the manager) rather than the AIF (the fund) itself - a "product' single market without product rules
- **Scope AIFMD**: The AIFMD applies a full authorisation regime to AIFMs exceeding €100 million AUM (leveraged) or €500 million (unleveraged, closed-ended), while sub-threshold AIFMs are subject to a lighter registration regime. It introduces an EU passport for EU AIFMs managing and marketing EU AIFs to professional investors. In contrast, marketing of non-EU AIFs or by non-EU AIFMs relies on non-harmonised National Private Placement Regimes (NPPRs), subject to minimum AIFMD conditions
- **Licence and ongoing requirements**: Authorisation and heavy ongoing governance, risk, transparency, and depositary oversight obligations – see next two slides

Key issues AIFMD, (EU) 2011/61/EU – licence & ongoing requirements

Licence requirements:

- **Fit & proper management**
- **Initial capital & own funds**
- **Programme of activity** - investment strategy, organisational structure and risk management systems
- **Organisational structure** - clear governance, internal controls, compliance function)
- **Delegation arrangement** - must justify and control 'outsourcing'- no empty shells allowed
- **Depository appointment** - each AIF must have a single depository for safekeeping and oversight

Ongoing requirements - 1

- **General conduct of business** - acting honestly, fairly and in the investors' best interest, treat investors equally, and avoid or managing conflicts of interest
- **Organisational requirements** - independent risk management and compliance functions, proper internal controls and record keeping, and ensuring adequate human and technical resources
- **Risk and liquidity management** - continuous risk monitoring for each AIF, liquidity management system

Ongoing requirements - 2

- **Depositary & asset safekeeping** - safekeeping assets, monitoring cash flows, overseeing compliance under a strict liability regime for loss of financial instruments
- **Transparency & reporting to regulators** - leverage, exposures, risk concentrations and liquidity profile
- **Transparency & reporting to investors** - pre investment disclosure of investment strategy, risks, fees, leverage, and ongoing disclosure of material changes and periodic information
- **Annual report** - financial statements, remuneration disclosure, material developments

Key issues AIFMD, (EU) 2011/61/EU – licence & ongoing requirements

Ongoing requirements - 3

- **Leverage control** - setting maximum leverage levels, monitoring & reporting leverage, and apply to limits if regulators impose limits for systemic risks
- **Remuneration policy** - must align with sound risk management, long-term interests
- **Investment in portfolio companies** - notification obligations when acquiring control, and anti-asset stripping rules (first 2 years post-acquisition), preventing private equity funds from buying a company and quickly extracting value at the expense of the company's financial health, and

Ongoing requirements - 4

- **Marketing rules** - passport for marketing to professional investors, and strict rules for disclosures and third-country AIFMs / AIFs

AIFMD compared with UCITS:

Fundamental Aim: Retail Protection vs. Manager Oversight

- **UCITS aim**: The core objective is investor protection for the retail public. It achieves this by creating a highly regulated, standardized, and safe "mutual fund" product that individual retail investors can trust across the European Union.
- **AIFMD aim**: The AIFMD primarily focuses on systemic risk management and regularizing alternative managers (Hedge Funds, Private Equity, Real Estate) who cater to professional or institutional investors

Regulatory Approach: Product Regulation vs. Manager Regulation

- **UCITS scope**: It is strictly a product-driven directive. It harmonizes the rules of the fund itself, explicitly dictating what the fund can buy, how much it can borrow, and how liquid it must remain.
- **AIFMD scope**: The AIFMD is a manager-driven directive. It regulates the Alternative Investment Fund Manager (AIFM) and their operational procedures, rather than setting strict statutory limits on the asset classes the underlying fund is allowed to purchase

Convergence AIFMD II / UCITS IV

- **Structural Scope**: UCITS management companies are now bound by the exact same stricter standards as AIFMs regarding (1) Strict regulatory disclosures on delegation markets and outsourced assets, and (2) The mandatory implementation of at least two Liquidity Management Tools from the standardized EU list available to AIFMs managing open-ended AIFs to handle redemption shocks (Annex V of Directive (EU) 2011/61
- Revised AIFMD & UCITS - see next slide

Revised AIFMD & UCITS - Directive (EU) 2024/927

Directive (EU) 2024/927

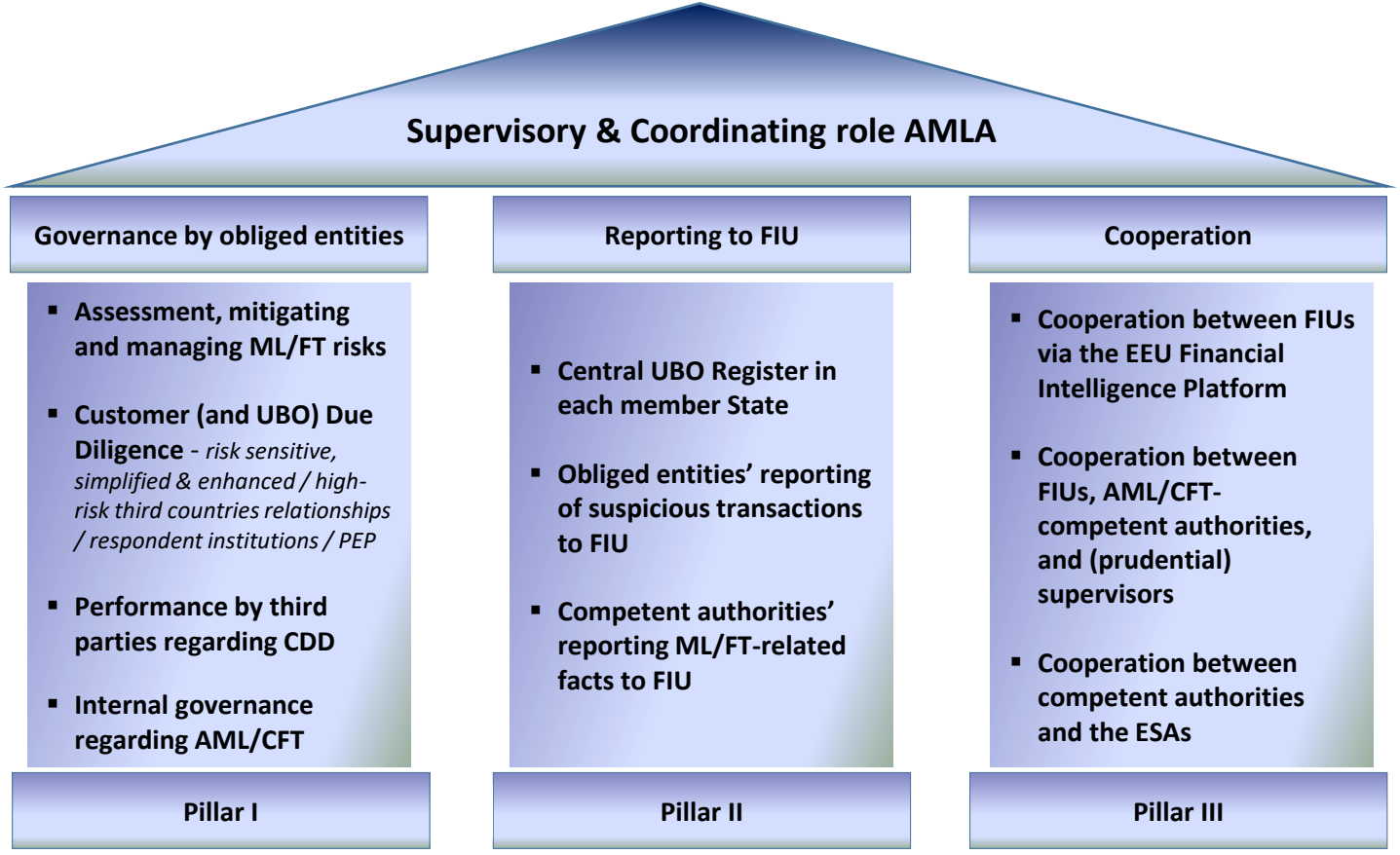
- National implementation deadline: 16 April 2026
- Entry into force of reporting obligations: 16 April 2027

Key Changes:

- **Stricter and harmonized outsourcing rules** for AIFs and UCITS
- **Stricter and harmonized rules on liquidity risk management** for AIFs and UCITS – see new Annex V on liquidity management tools available to AIFMs managing open-ended AIFs
- **More comprehensive and standardized reporting requirements** for AIFs and UCITS (by including details on delegation markets and loan portfolio's) aimed at improving comparability and enabling faster risk detection
- **Clarified roles for (sub-)custodian services regarding AIFs and UCITS** – aligns rules so that CSDs are treated as part of the custody chain
- **Limits on leverage** for loan-originating AIFs
- **Newly permitted ancillary services** for AIFMs and UCITS management companies, such as the administration of benchmarks or the provision of services to securitization SPVs

AML/CFT package – AMLD6, AMLR, AMLAR

AML/CFT – AMLD6, AMLR, AMLAR, WTR - 1



AML/CFT – AMLD6, AMLR, AMLAR, WTR - 2

2021 AML/CFT Legislative package

Anti-Money laundering Directive (AMLD5)
(EU) nr. 2015/849

Anti-money laundering Directive 6 (AMLD6)

AML/CFT rules requiring transposition into domestic law[1]

Single Rulebook (AML) Regulation

Directly applicable AML/CFT rules, but - due to the risk-based nature of the EU's AML/CFT regime - not adopting a maximum harmonisation approach [2]

AMLA Regulation

Directly applicable rules establishing AMLA

Regulatory Technical Standards

Guidelines

[1] Containing all rules regarding the organisation of the institutional AML/CFT system at national level.
[2] Containing all rules that apply to the private sector

The full AML/CFT package

At present: Amended fourth anti-money laundering Directive, (EU) 2015/849 (**AMLD5**) incl. Technical Standards & Guidelines & the WTR

AMLD6

AML Directive (EU) 2024/1640

- **Amending and Replaces AMLD5 from 10 July 2027** [1]
- A tighter and harmonised framework for UBOs and FIUs
- (interconnected) UBO Registers, the Bank Account registers, & the Centralized Payment & Transaction Data Access (The EUCLID, the European Centralised Infrastructure for Supervisory Data)
- Better cooperation & information exchange between relevant authorities
- Stricter penalties, administrative measures and data protection

AMLR

AML Regulation (EU) 2024/1624
(Single Rulebook)

- **Directly applicable EU-wide regulation** (mainly) **from 10 July 2027**
- Defines the scope of the AML/CFT framework
- Requirements for Obliged Entities on CDD, UBOs, PEPs, record keeping, outsourcing and information sharing

AMLA tasked with drafting of 13 RTS, 6 ITS and with the issuance of 20 Guidelines

AMLAR

Anti-Money Laundering Authority Regulation (EU) 2024/1620

- **Creation of AMLA, based in Frankfurt, operations started in July 2025 and fully operational on 1 January 2028**
- Direct supervision of high-risk financial institutions
- Indirect supervision via coordination and oversight of national AMLCFT authorities
- Drafting technical standards (RTS/ITS) & adopting guidelines
- Coordination and support of FIUs, such as threat assessments on ML/TF trends identified by FIUs, facilitation of joint FIU-analysis, conducting peer reviews of FIU-activities, and hosting the communication network between FIUs - FIU.net

WTR

Transfer of Funds Regulation (EU) 2023/1113
(Wire transfer Regulation)

- Mandatory Originator and Beneficiary Data (included in wire transfers);
- Applies to traditional transfers and crypto transfers

Travel Rule Guidelines, specifying WTR requirements
EBA/GL/2024/11

[1] Art. 74 (access UBO registers) applies from 10-07-2025, art. 11, 12, 13 and 15 (UBO registers) applies from 10-07-2026, and art. 18 (Single access point to real estate information) applies from 10-07-2029

AML/CFT - present level 2 & 3 regulations

- **DA** (EU) 2016/1675 on identification of high-risk third countries with strategic weaknesses
- **IA** (EU) 2021/369 on technical specifications and procedures linking UBO systems
- **RTS** (EU) 2018/1108 on Central Contact points
- **RTS** Limiting ML/FT risk in third countries - (EU) 2019/758
- **RTS** (EU) 2024/595 on AML Central database
- **JC/GL**/2019/81 on AML/CFT colleges (The AML/CFT College Guidelines)
- **EBA/GL/2021/02** The ML/TF Risk Factors Guidelines, consolidated version (amended by EBA/GL/2024/01)
- **EBA/GL/2021/15** on cooperation between prudential supervisors, AML/CFT supervisors and FIUs
- **EBA/GL/2021/16,** as amended by EBA/GL/2023/07 – Risk-based AML/CFT supervision.
- **EBA/GL/2022/05** on the role of AML/CFT compliance officers
- **EBA/GL/2022/15** on the use of remote customer onboarding solutions
- **EBA/GL/2023/04** on effective ML/FT risk management (de-risking guidelines)
- **EBA/GL/2024/14** on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures - on sanctions compliance, together with the WTR-related EBA/GL/2024/15 -– slide 69
- **EBA/GL/2024/11** – Travel Rule Guidelines under Regulation (EU) 2023/1113.

Transition to AMLA (from 1 January 2026)Existing EBA AML/CFT Guidelines and standards remain applicable until replaced by AMLA. AMLA is developing the new Level 2/3 Single Rulebook under the AMLR, AMLD6 and AMLAR; several draft RTS/ITS were finalised in 2026

AMLA – development of the new Single Rulebook – 1 (July 2026)

Final draft RTS/ITS published in 2026:

- **RTS – Risk-based supervision methodology**
  Assessment of inherent and residual risk profiles of obliged entities *(AMLD6 Art. 40(2))*

- **RTS – Selection for AMLA direct supervision**
  Risk assessment methodology for selecting high-risk financial institutions/groups *(AMLAR Art. 12(7))*

- **RTS – Sanctions and administrative measures**
  Methodology for pecuniary sanctions, administrative measures and periodic penalty payments *(AMLD6 Art. 53(10))*

- **ITS – Cooperation within the AML/CFT supervisory system** for AMLA direct supervision *(AMLAR Art. 15(3))*

- **ITS – FIU-to-FIU information exchange**

- **ITS – Reporting to EPPO** (European Public Prosecutor's Office)

AMLA – development of the new Single Rulebook – 2 (July 2026)

Further RTS/ITS/Guidelines under development:

- **RTS – Customer Due Diligence** *(AMLR Art. 28(1))*
- **RTS – Business relationships and transactions**
  Criteria for business relationships, occasional/linked transactions and lower thresholds *(AMLR Art. 19(9))*
- **RTS – Group-wide requirements**
  Including subsidiaries and branches in third countries *(AMLR Arts. 16(4), 17(3))*
- **RTS – Home/Host supervisory cooperation** *(AMLD6 Art. 46(4))*
- **ITS – Reporting suspicions and transaction records** *(AMLR Art. 69(3))*

AMLA – development of the new Single Rulebook – 3 (July 2026)

Level 3 – AMLA Guidelines under development

- **GL – Business-wide risk assessment** *(AMLR Art. 10(4))*
- **GL – Ongoing monitoring of business relationships and transactions** *(AMLR Art. 26(5))*

AMLA is progressively developing the new AML/CFT Level 2/3 Single Rulebook under the AMLR, AMLD6 and AMLAR. Existing EBA AML/CFT instruments remain applicable until replaced by corresponding AMLA instruments.

AML/CFT - the role of AML/CFT compliance officer - 1

- **Guidelines for appointment of an AML/CFT Compliance Officer (CO) at management level** – based on Art. 8 AMLD5 – EBA/GL/2022/05
- Applying the proportionality principle - **only if the CO is appropriate given the size and nature of the institution**
- Along the lines applicable to key function holders: **a 2nd-line independent function**, managed / supervised by the MB / SB
- **A member of the Executive Board is entrusted with the CO duties when an CO is not appointed**
- Relationship with other key functions: **the CO cooperates with the Risk Management Function**, both at entity and group level - with a view to preventing conflicts of interest

AML/CFT - the role of AML/CFT compliance officer - 2

Tasks of the AML/CFT-CO:

- Development of a risk assessment framework
- Development of AML/CFT policies and procedures and monitor compliance with them
- Advising on establishing business relationships with high-risk clients
- Compliance monitoring of AML/CFT policies and procedures
- Reporting to the management body on AML/CFT measures to be taken
- Reporting suspicious transactions to the FIU
- Overseeing the financial institution's AML/CFT training programme

In a nutshell: the CO is responsible for the ML/TF-risk management - and that's the reason why the CO is cooperating with the Risk management Function

What's new under AMLAR?

- **Key responsibilities of AMLA under AMLAR** – (EU) 2024/1620:
  - **Supervision** - Directly supervising selected financial sector entities that operate on cross border basis and present high risk of money laundering and terrorism financing, as well as indirectly supervising other entities in the financial and non-financial sectors
  - **Supporting and coordinating FIUs** by facilitating joint cross-border cases analyses, enabling controlled information exchange, providing capabilities, advanced data analytics and managing the common FIU.net information system
  - **Complementing EU AML/CFT rules** by developing regulatory and implementing technical standards and issuing guidelines
- **Start of direct supervision with AMLA fully operational: 1 January 2028**

New under AMLD6, amending and replacing AMLD5 - 1

Replacing AMLD5: Amending AMLD5 (accessibility of UBO information) by 10 July 2025 and fully replacing AMLD5 by 10 July 2027, with phased transposition deadlines for specific AMLD6 provisions: Access in the interconnected central UBO registers by 10 July 2026; Access in the Single access point to real estate information by 10 July 2029; and Interconnection of the bank account registers via BARIS (Bank Account Registers' Interconnection System) by 10 July 2029

UBO's: A tighter and harmonised framework for UBOs

FIUs: Strengthening and harmonizing FIU powers

New under AMLD6, amending and replacing AMLD5 - 2

Registers:	The interconnected central UBO register; The central register for real estate ownership in each Member State; The single access point for real estate ownership registers
Cooperation & information exchange:	Better cooperation and information exchange between relevant authorities
Stricter penalties, administrative measures and data protection:	Minimum harmonisation of pecuniary sanctions, administrative measures and periodic penalty payments, and stricter data protection rules

New under AMLD6, UBOs - 1

- AMLD 6 creates a tighter, harmonised framework for identifying and verifying beneficial ownership across the EU, with central UBO registers, broader definitions of control, mandatory verification, and balanced public and authority access - fully operational by mid 2027

- **Regulated in AMLD6**, Art. 10 to 17 & Art. 74 (amendments of the present AML/CFT Directive - (EU) 2015/849)

- **Transposition** in national law (Art. 78 AMLD6): 10 July 2027, and by way of derogation:
  - Art. 74 (access to central ownership registers, competent authorities, obliged entities, and legitimate interest persons) 10 July 2025; Art. 11, 12, 13 and 15: 10 July 2026

- **Art. 10**, Requirement that Member States maintain a UBO register containing the information required in the AML Regulation – (EU) 2024/1624; Art. 11, General rules for the UBO registers; Art. 12, Specific access rules for persons with legitimate interest; Art. 13, Procedure for the verification and mutual recognition of a legitimate interest to access beneficial ownership information; Art. 14, Templates and procedures necessary for the implementation of access based on a legitimate interest by the central registers; Art. 15, Exceptions to the access rules tot UBO registers; Art. 16, Bank account registers and electronic data retrieval systems; Art. 17, Implementing acts for the interconnection of the national registers

New under AMLD6 - UBOs - 2

Central Beneficial Ownership Registers are:

- Established by Member States
- Containing up-to-date beneficial ownership data for Legal entities (companies, partnerships), Express trusts (intentionally created by a settlor) and similar legal arrangements
- interconnected via the EU Central Platform
- Allow immediate, unfiltered, and free access for: FIUs, AML/CFT supervisors, the AMLA authority, obliged entities, and for persons or organisations demonstrating a legitimate interest (e.g., journalists, civil society, academics), with safeguards to protect data for minors or individuals at risk

Beneficial owners are:

- **In a legal entity**: the natural person(s) who ultimately own or control the legal entity, through direct or indirect ownership of 25% or more of the shares, voting rights or other ownership interest, or through control via other means.
- **In a trust, foundation or similar arrangement**: settlors, trustees, protectors, beneficiaries (in a trust), and founders, governing body members, or other controlling individuals (in a foundation)

New under AMLD6 - Bank account registers, *Art. 16 AMLD6*

- **Bank account information:** EU Member States must establish centralized automated systems to quickly identify who holds or controls financial accounts (including bank accounts, virtual IBANs, securities, crypto-assets, and safe-deposit boxes) within their territory. These systems must be accessible to supervisory authorities, FIUs and the AMLA

- **Information to be registered:** **Account holder or proxy details**: name, ID data, and the span of authority if acting on behalf of another; **Beneficial owner data**: name, ID or unique number, and dates when they became/ceased being beneficial owner of the account holder; **Account identifiers**: IBAN or equivalent, opening and closing dates; and **Virtual IBAN specifics**: virtual IBAN, linked underlying account, opening and closing dates

- **Interconnected systems (BARIS):** The centralised automated mechanisms shall be interconnected via the bank account registers interconnection system (BARIS), to be developed and operated by the Commission.

New under AMLD6 - Single access point, Art. 18 AMLD6

Single access point to real estate information:

- Competent authorities and AMLA have immediate and free electronic access to digital, machine-readable information identifying real estate ownership and related transactions
- This access must be via a single national access point, enabling the identification of both the property and the individuals or entities that own it
- Transposition in national law by 10 July 2029

New under AMLD6 - FIUs, Chapter III, Art. 19 to 36 AMLD6 - 1

- **The purpose of the FIU** is to collect and analyse information (suspicious transaction reports from obliged entities) with the aim of establishing links between suspicious transactions or activities and underlying criminal activity to prevent and combat ML/TF, and to disseminate the results of its analysis as well as additional information to the competent authorities (law enforcement) where there are grounds to suspect ML, its predicate offences or TF, and disseminating intelligence

- Directive 2024/1640 significantly **strengthens and harmonizes** FIU powers across the EU by: granting **wide-ranging, direct access** to key intelligence sources, authorizing **active interventions** in suspicious transactions, mandating **systematic cooperation**, secure communication, and joint analysis, requiring **transparent reporting and feedback**, and embedding **fundamental rights safeguards** in FIU operations

New under AMLD6 - FIUs - Chapter III, Art. 19 to 36 AMLD6 - 2

- **Fundamental rights officer:**
  Art. 20 AMLD6 (grondrechten functionaris)

  Advising the staff of the FIU on compliance with fundamental rights

- **Access to information:**
  Art. 21 AMLD6

  FIUs have access to the information that they require to fulfil their tasks, including financial (incl. BARIS), administrative information (fiscal data etc.) and law enforcement information

- **Provision of information to supervisors:**
  Art. 23 AMLD6

  FIUs provide supervisors, spontaneously or upon request, information that may be relevant for the purposes of AML/CFT supervision

- **Suspension or withholding of consent:**
  Art. 24 AMLD6

  FIUs are empowered where there is a suspicion that a transaction is related to ML/TF, to suspend or withhold consent to that transaction

New under AMLD6 - FIUs - *Chapter III, Art. 19 to 36 AMLD6 - 3*

- **Instructions to monitor transactions or activities:**
  Art. 25 AMLD6

  FIUs are empowered to instruct obliged entities to monitor the transactions or activities who present a significant ML/TF risk

- **Alerts to obliged entities:**
  Art. 26 AMLD6

  FIUs can alert obliged entities of information relevant for the performance of CDD

- **FIU annual report:**
  Art. 27 AMLD6

  FIU publishes an annual report on its activities

- **Feedback by FIU:**
  Art. 28 AMLD6

  FIUs provide obliged entities with feedback on the quality and timeliness of the information provided, the description of the suspicion and the documentation provided at submission stage

New under AMLD6 - FIUs - Chapter III, Art. 19 to 36 AMLD6 - 4

Cooperation between FIUs:
Art. 29 / 30 / 31 AMLD6

- **FIUs cooperate with each** other to the greatest extent possible (Art. 29 AMLD6) through **protected channels of communication** (Art. 30 AMLD6) and **exchange information** spontaneously or upon request (Art. 32 AMLD6)

Joint analysis:
Art. 32 AMLD6

- FIUs can carry out joint analyses of suspicious transactions and activities
- FIUs have in place mechanisms to protect the identity of the obliged entities who report suspicions

New under AMLD6 – Key takeaways AML Supervision

Chapter IV is central to strengthening the EU-wide AML/CFT supervisory architecture. It significantly uplifts the EU's ability to prevent and detect financial crime, while ensuring consistency across internal and external borders

Subject (Chapter IV, Art. 37 – 60 AMLD6)	**Purpose**
Mandatory resourcing	Supervisors have capacity to enforce AML/CFT obligations
Risk based supervision	Prioritises supervision where ML/TF risks are highest
Structured information exchange	Promotes information exchange between supervisors and between supervisors and FIUs
Colleges of supervisors	Consistent supervision for groups operating internationally
Pecuniary sanctions and administrative measures	harmonised minimum penalties, administrative measures and periodic penalty payments

New under AMLD6 – General provisions AML Supervision

Power and resources: *Art. 37 AMLD6*	National supervisors must be equipped with sufficient authority, funding, staff, and expertise to oversee obliged entities
Oversight of service infrastructures: *Art. 38 AMLD6*	Special oversight measures are required for intermediaries (e.g. platforms) offering cross-border services under freedom to provide services
Supervision and risk-based approach: *Art. 39 - 40 AMLD6*	Supervisors must Issue AML/CFT-relevant information to obliged entities (Art. 39) and use a risk-based approach to supervision, focusing on sectors/entities with higher ML/TF risk (Art. 40)
Information sharing & coordination *Art. 41 – 48 AMLD6*	Include provisions on: (1) National central contact points, (2) Transparency of supervisors to FIUs, (3) Cooperation between supervisors – Home/Host, financial groups, obliged entities carrying out cross-border activities, and in relation to group-wide policies in third countries

New under AMLD6 - Pecuniary sanctions - *Art. 55 AMLD6*

- **Rules on pecuniary sanctions** (pecuniary sanctions or periodic penalty payments) and administrative measures **are without prejudice to the right of MS to provide for and impose criminal sanctions**

- Context: the AMLR & WTR

- The sanctions/administrative measures can be imposed/applied not only to the legal person, but also to the senior management and to other natural persons who under national law are responsible for the breach

- Harmonised minimum pecuniary sanctions: for credit institutions and financial institutions €10 million or 10% of annual turnover, whichever is higher, and in case of a natural person €5 million

New under AMLD6 - Sanctions

Administrative measures
Art. 56 AMLD6

- Administrative measures: among other things: issue recommendations, order obliged entities to implement specific corrective measures or restrict business operations

Periodic penalty payments
Art. 57 AMLD6

- In the case of legal entities, the maximum amount of the periodic penalty payment is 3 % of their average daily turnover in the preceding business year
- In the case of natural persons, the maximum amount is 2 % of their average daily income in the preceding calendar year.

New under AMLD6 - Cooperation in Colleges

AML/CFT supervisory colleges:
Art. 49 – 51 AMLD
(Art. 50 is about Supervisory Colleges in the non-financial sector)

- Supervisory Colleges in the financial sector (except when AMLA acts as a supervisor)
- Supervisory Colleges (1) Coordinate supervision strategies, (2) Share relevant information, (3) Offer mutual assistance, and (4) Resolve cross-border supervisory issues, with AMLA able to step in if national authorities disagree.
- Extends cooperation model to supervisors in third countries when legal entities/groups operate both within the EU and abroad

Self-regulatory bodies
Art. 52 AMLD6

- When MS allow self-regulatory bosies (of accountants, lawyers and the like) they shall ensure that the activities of such self-regulatory bodies in the performance of such functions are subject to oversight by a public authority

New under AMLD6 - Key takeaways Cooperation

Subject *(Chapter 5, Art. 61 – 69 AMLD6)*	**Purpose**
Structured cooperation:	Establishes formal channels and systems for cross-authority collaboration
Data protection:	Aligns all sharing with EU privacy rules
Authority-to-authority liaison:	Promotes consistent information flow between member states, AMLA, and FIUs
Professional confidentiality:	Ensures sensitive info is shared under secure and legally protected conditions
Standardised best practices:	Art. 69 ensures overarching guidelines are in place to harmonise cooperation efforts

Chapter V lays the foundation for effective and secure cooperation in the EU's AML/CFT framework. By formally defining who cooperates, how information is exchanged, and under what safeguards, it significantly strengthens the EU's ability to detect, investigate, and prevent financial crime—ultimately bolstering trust and consistency across Member States.

New under AMLD6 – AML/CFT cooperation

General provisions: *Art. 61 AMLD6*	Cooperation must align with Regulation (EU) 2024/1624 and respect EU data protection rules, notably Directive (EU) 2016/680 concerning personal data used in police and judicial cooperation
Communication of national competent authorities: *Art. 62*	Member States must submit to the European Commission and AMLA: (1) Lists of supervisors overseeing obligation compliance under the AML Regulation, (2) Contact details for Financial Intelligence Units (FIUs), and (3) Lists of other relevant national competent authorities
Cooperation with AMLA *Art. 3 AMLD6*	Member States must actively cooperate with AMLA by: (1) Providing requested information, (2) Facilitating exchange of insights, and (3) Supporting AMLA's supervisory, investigative, and enforcement activities

New under AMLD6 - Cooperation with Other Authorities

Cooperation in relation to credit institutions or financial institutions *Art. 64 AMLD6*	Financial supervisors, FIUs, and authorities competent for the supervision of credit institutions or financial institutions under other Union legal acts, cooperate closely with each other
Cooperation in relation to auditors: *Art. 65 AMLD6*	Supervisors in charge of auditors, public authorities overseeing self-regulatory bodies of auditors, their FIU cooperate closely with each other
Cooperation with authorities implementing targeted financial sanctions *Art. 66 AMLD6*	supervisors, their FIU and the authorities in charge of implementing targeted financial sanctions cooperate closely with each other

New under AMLD6 - Data protection

Professional secrecy requirements: *Art. 67 AMLD6*	All persons working for or who have worked for supervisors and the public authorities referred to in Article 52, as well as auditors or experts acting on behalf of those supervisors or authorities be bound by the obligation of professional secrecy
Exchange of information among supervisors and with other competent authorities: *Art. 68 AMLD6*	Exchange of information is allowed between supervisors and the public authorities overseeing self-regulatory bodies, supervisors and the authorities responsible by law for the supervision of financial markets, supervisors in charge of auditors
Data protection: *Art. 70 AMLD6*	Competent authorities may process special categories of personal data subject to appropriate safeguards for the rights and freedoms of the data subject

New under AMLR – (EU) 2024/1624

- **Single (common) rulebook** & directly applicable, and in effect from 10 July 2027

- **Common EU rules for AML/CFT** - more detailed, clearer, and directly applicable rules for obliged entities (banks, lawyers, crypto-asset providers, high-value goods dealers, football clubs, etc.), which will apply more consistently and will be better enforced throughout the EU

- **Wider scope of obliged entities:** included are crypto-asset service providers, crowdfunding platforms, consumer mortgage/credit intermediaries, investment-based residency ("golden visa") operators, and elite sports entities (top-tier football clubs/agents)

- **Stricter CDD & internal controls** – notify national supervisors before expanding into other Member States; standardised UBO thresholds - The 25% ownership/voting rights threshold is uniformly adopted EU-wide. Commission may further lower it to 15% in high-risk sectors. Enhanced verification rules, centralized UBO registers, and mandatory interconnection via EU platforms are introduced

- **10.000 cash cap**

New under AMLR – key requirements for obliged entities - 1

New under AMLR – key requirements for obliged entities

- **Business-wide risk assessment**
  Identify and assess ML/TF risks and keep the risk assessment up to date

- Internal policies, procedures and controlsRisk management framework, internal governance, compliance function and staff requirementsCustomer Due Diligence (CDD)Customer and UBO identification and verification, purpose and intended nature of the relationship and ongoing monitoringRisk-sensitive application of CDDSimplified measures where appropriate; enhanced due diligence for higher-risk situations, including PEPs and high-risk third countriesReporting of suspicions to FIUsReport suspicions of ML/TF and comply with requirements concerning transactions pending FIU assessmentRecord keeping and information requirementsRetain CDD and transaction information and make it available to competent authoritiesGroup-wide AML/CFT requirementsGroup-wide policies, procedures and controls, including requirements concerning branches and subsidiaries in third countriesOutsourcing and reliance on third partiesPermitted subject to conditions, while the obliged entity remains responsible for compliance

New under AMLR – key requirements for obliged entities - 2

New under AMLR – key requirements for obliged entities

- **Business-wide risk assessment**
  Identify and assess ML/TF risks and keep the risk assessment up to date

- Internal policies, procedures and controlsRisk management framework, internal governance, compliance function and staff requirementsCustomer Due Diligence (CDD)Customer and UBO identification and verification, purpose and intended nature of the relationship and ongoing monitoringRisk-sensitive application of CDDSimplified measures where appropriate; enhanced due diligence for higher-risk situations, including PEPs and high-risk third countriesReporting of suspicions to FIUsReport suspicions of ML/TF and comply with requirements concerning transactions pending FIU assessmentRecord keeping and information requirementsRetain CDD and transaction information and make it available to competent authoritiesGroup-wide AML/CFT requirementsGroup-wide policies, procedures and controls, including requirements concerning branches and subsidiaries in third countriesOutsourcing and reliance on third partiesPermitted subject to conditions, while the obliged entity remains responsible for compliance

The AMLR moves the core AML/CFT obligations for the private sector from a Directive into a directly applicable EU Single Rulebook

New under AMLR – (EU) 2024/1624

Outsourcing:

- **Core rule**: an obliged entity may outsource AML/CFT tasks to a (third party) service provider, but the obliged entity remains fully liable for all outsourced activities
- **Prior supervisory notification**: the outsourcing obliged entity must notify the supervisor before outsourcing begins
- **Non-outsourceable core AML decisions**: strategic risk-based and decision-making must stay in-house (such as business-wide risk assessment, assigning customer risk profile, final risk-scoring, EDD decisions and relationship approval)
- **Due diligence and suitability of the (third party) service provider**: Before outsourcing, the obliged entity must ensure the provider is sufficiently qualified and capable, and assess whether the provider can effectively perform AML tasks

New under AMLR – (EU) 2024/1624

Outsourcing (continue):

- **Written agreement + alignment with internal AML framework**: (sub)outsourcing must be governed by a written agreement; the provider (and any sub-outsourcer) must apply the obliged entity's AML policies and procedures
- **Ongoing monitoring and control of outsourced activities**, embedded in internal AML policies and governance and control frameworks
- **Demonstrability requirement ("understanding obligation")**: The obliged entity must be able to demonstrate that it understands the rationale and methodology of the outsourced activities, and can show these activities mitigate its ML/TF risks
- **Distinction from "reliance" clarified**: AMLR clearly distinguishes outsourcing (the third party acts on the obliged entity's behalf) from reliance on other obliged entities (the obliged entity relies on another obliged entity's CDD).

Transfer of Funds Regulation

Transfer of Funds regulation (Wire Transfer Regulation - WTR)

WTR, (EU) 2023/1113:

- Information accompanying transfers of funds (including transfers of crypto-assets) to ensure the traceability of transactions (origin and destination of funds) to curb ML/TF
- PSPs must: **collect and retain information about the origin and destination of wire transfers** (identity of both the payer and the payee), and **store transaction data for 10 years**

Travel Rule Guidelines, EBA/GL/2024/11:

- Specifies the information requirements and the steps that (intermediary) PSPs and (intermediary) CASPs should take to detect missing or incomplete information, and what they should do if a transfer of funds or a transfer of crypto-assets lacks the required information.

EBA/GL/2024/15

- This Guideline is specific to payment service providers (PSPs) and crypto-asset service providers (CASPs) and specifies what PSPs and CASPs should do to be able to comply with restrictive measures (**sanctions**) when performing transfers of funds or crypto-assets (applies from 30-12-2025)

EMIR 3

(EU) 2024/2987

Core structure of EMIR

Pillar I - Reporting	Pillar II - Clearing	Pillar III – Risk Mitigation
• All OTC- & exchange-traded derivatives transactions must be reported no later than T+1 to a licensed Trade Repository (TR) (**for reasons of transparency)**	• Certain standardized OTC derivatives conducted by financial counterparties or non-financial counterparties (NFC) above clearing thresholds[1] must be cleared through a CCP **(for reasons of reducing counterparty credit risk**)	• If a trade is not centrally cleared, firms must apply bilateral risk controls under the following requirements: timely conformation of trades, portfolio reconciliation, dispute resolution procedures, and initial and variation marging requirements (**for reasons of controlling risks outside CCPs**)

CCPs must be authorized by the relevant NCAs, with the ESMA in a coordinating and supervisory role (by participating in supervisory colleges) and in a direct supervisory role regarding recognition of third country CCPs; ***TRs*** must be registered and supervised by ESMA

[1] NFC above thresholds are subject to clearing & marging requirements; NFC below thresholds are subject to lighter requirements. Thresholds are based on gross notional exposure by asst class.

EMIR revisions - 1

- **EMIR Regulatory Fitness and Performance Programme, REFIT (EMIR 2), (EU) 2019/834 - revised structure** with the aim of simplifying EMIR reporting obligations, reducing the regulatory burden on smaller NFC market participants, improve data quality and usability and making rules more efficient and effective

- **EMIR 3, (EU) 2024/2987**, revised with the aim of reducing dependency on UK CCPs, encourage clearing in the EU, and improve CCP resilience and market stability.

- **Key issues of EMIR 3 are:**

  - **Strengthening EU clearing** (strategic objective) — Reducing reliance on UK CCPs and Incentivizing clearing through EU-based CCPs – **the central policy driver behind EMIR 3**

  - **"Active Account Requirement"** — Firms must hold an active account at an EU CCP, and use it for certain derivatives - "**use it, don't just have it**"

EMIR revisions - 2

Key issues EMIR 3 continued:

- **Enhanced supervision of CCPs**	**Stronger role for NCA** (ESMA in a coordinator role), and Increased focus on systemic risk & cross-border exposures
- **Simplification & proportionality**	**Reducing the burden** for smaller (non) financial counterparties and adjustments to clearing thresholds & reporting requirement. These amendments **align with the broader EU simplification agenda**
- **Improved transparency and monitoring**	**Better data on clearing exposures & concentration risk to enable earlier supervisory intervention**

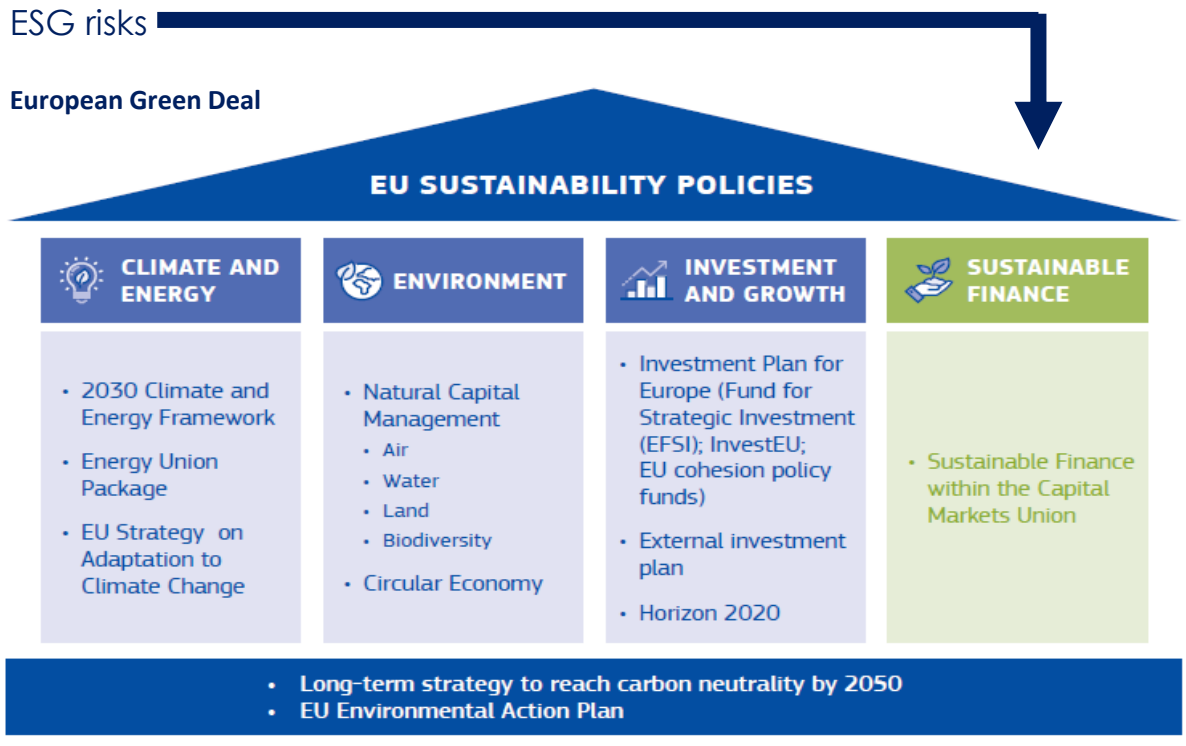
EMIR revisions - 3

- EMIR, (EU) 2024/2987, amending Regulation (EU) 648/2012
  Implementation: 15 July 2025 via “Uitvoeringsbesluit EMIR3 Verordening en EMIR3 Richtlijn”

- **Full application of technical standards**: expected in 2026–2027, subject to ESA publications and validation procedures.

Sustainable Finance

Sustainable finance - 1



Sustainable finance - 2

All EU financial (sustainable finance related) Green Deal initiatives:

1. Taxonomy Regulation
2. Standards & labels for green financial products
3. Fostering investments in sustainable projects
4. Incorporating sustainability in financial advice
5. Developing sustainable benchmarks

6. Integrating sustainability in ratings & market research
7. Clarifying asset managers duties
8. Prudential requirements for banks and insurers

9. Strengthening sustainability disclosure
10. Fostering sustainable corporate governance & long termism

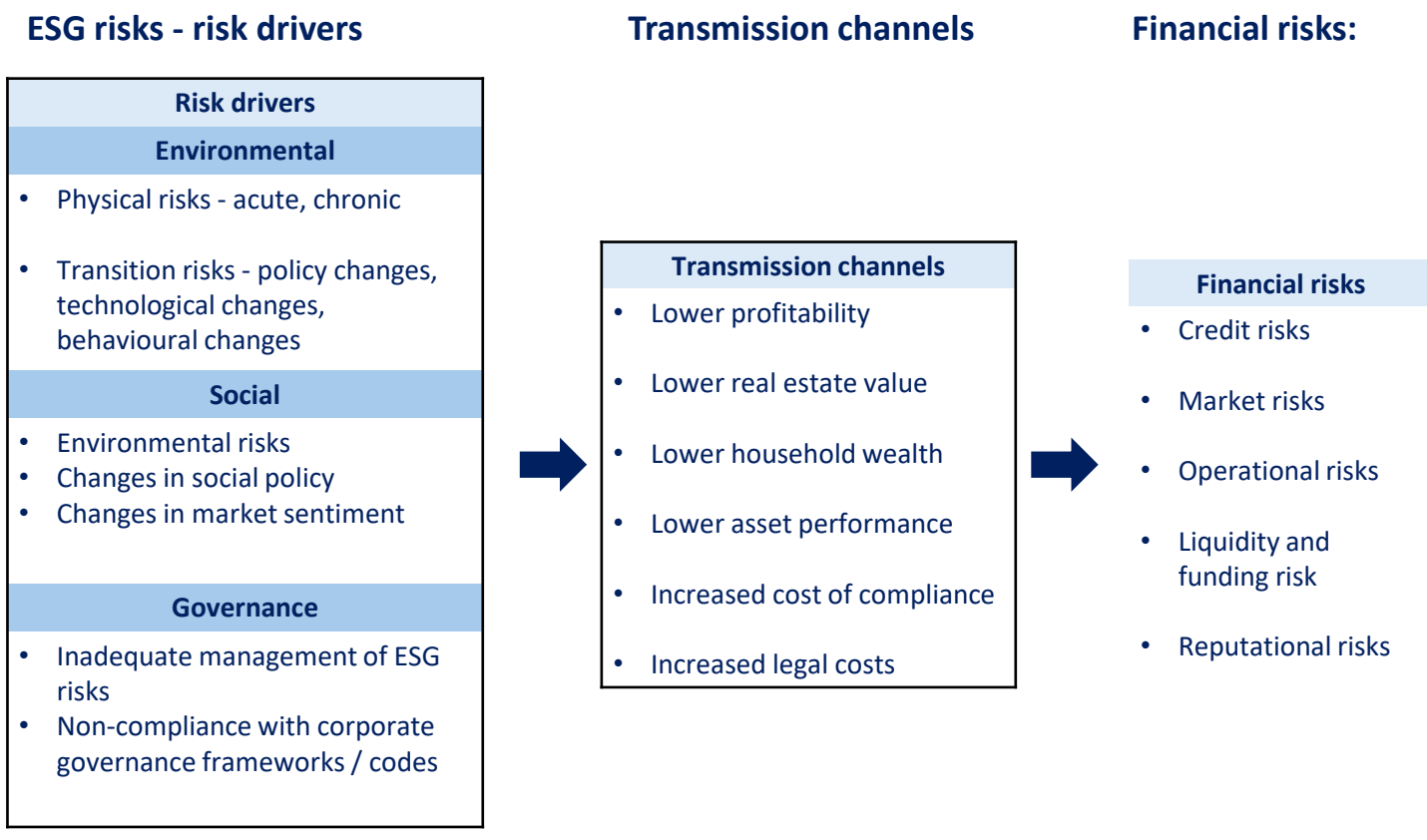
Sustainable finance goals

First objective: reorienting capital flows towards sustainable investment

Second objective: mainstreaming Sustainability into Risk Management

Third objective: fostering transparency and Long-termism

Sustainable finance - 3



Source: EBA report on management and supervision of ESG risks – EBA/REP/2021/18

Sustainable finance - 4

ESG-risks: Key pillars to support the European Green Deal:

1	2	3	4
Taxonomy disclosures (Taxonomy Regulation)	**Non-financial reporting directive (NFRD),amended (replaced) by the CSRD and supplemented by the CSDDD**	**EBA prudential disclosures (CRR/IFR)**	**Sustainable Finance Disclosure Regulation (SFDR)**
What:	What:	What:	What:
Defines environmental sustainable activities (Paris aligned)	Corporates' ESG and diversity information	ESG risks measurement and ESG risk mitigation actions	Investment products and financial advice
Who	Who:	Who:	Who:
NFRD corporates	Public interest companies (more than 500 employees)	Large listed banks (CRR) and investment firms (IFR)	Financial firms selling investment products and financial advisors

EBA mandates

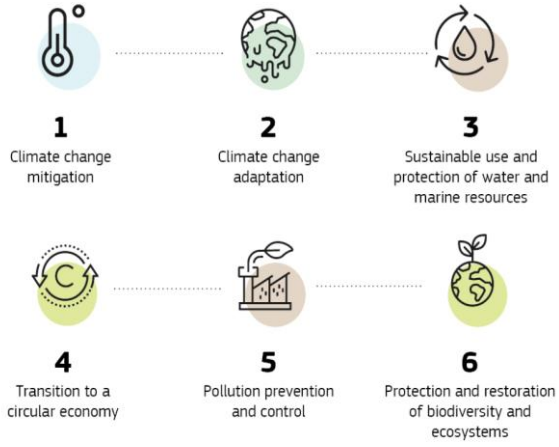
Taxonomy Regulation: advice to Commission on KPI's	**CRR:** ITS Pillar 3 on ESG risks	**SFDR:** ESAs' Joint Committee RTS

Sustainable finance - 5

Taxonomy Regulation – 2020/852/EU (not specific financial services legislation)

- **a common classification system** that defines criteria for economic activities based on 6 objectives [1] that are aligned with a net zero trajectory by 2050 and the broader environmental goals other than climate – in short: **a clear definition of what is 'sustainable'**

[1] **The six objectives are:**
(1) climate change adaption,
(2) climate change mitigation,
(3) sustainable use of water,
(4) circular economy,
(5) pollution prevention, and
(6) healthy ecosystem



- **Simplification omnibus I** – 26 February 2025, 1 (slides 65 & 66)

Sustainable finance - 6

Non-financial reporting directive - NFRD, (EU) 2014/95 (aanvulling op de “jaarrekening Richtlijn”) (not specific financial services legislation):

- Applies to large Public Interest Entities – entities with more than 500 employees;
  ± 11,000 entities

- Identifies four sustainability issues: environment, social and employee issues, human rights, and bribery and corruption

- It requires entities to disclose non-financial information in their annual reports about their business model, policies (including implemented due diligence processes), risk management, and relevant key performance indicators (KPIs) relevant to the business

Sustainable finance - 7

The Corporate Sustainability Reporting Directive - CSRD, (EU) 2022/2464 amended (replaced) the NFRD:

- The scope is extended to all large companies and all companies listed on regulated markets (except listed micro-enterprises); ± 50,000 entities
- The audit (assurance) of reported information is required
- More detailed reporting requirements are introduced, In particular on the ESG impact across the entire value chain, both in the supply chain (upstream) and in the use phase (downstream), with a specific focus in both cases on the key ESG risks
- Companies are required to digitally ‘tag’ the reported information, so it is machine readable and feeds into the European single access point envisaged in the capital markets union action plan.

Sustainable finance - 8

The Corporate Sustainability Due Diligence Directive – CSDDD:

- **Scope**: Applies to large EU companies (1,000+ employees and >€450 million in global turnover) and large non-EU companies with significant turnover generated within the EU

- **Obligations**: Companies must integrate due diligence into their corporate policies - **across their entire value chain**, both upstream and downstream - identify potential risks, prevent or mitigate adverse impacts, and adopt a climate transition plan

- **Liability**: Companies can be held civilly liable for damages caused by their own operations or those of their value chain partners

- **Implementation**: EU Member States must transpose the CSDDD into national law by July 26, 2026

- **CSDDD vs. CSRD**: While the CSRD focuses on sustainability reporting, the CSDDD focuses on taking substantive action and implementing measures

Sustainable finance - 9

The CRSD CSDDD …. Continued:

- **However: on 26 February 2025, the European Commission adopted a Simplification Package, affecting several legislative areas, including sustainable finance rules, also affecting CSDR and CSDDD – "Omnibus I – 1"**

- **CSRD key outcomes:**
  - Higher threshold for reporting: only companies with more than 1000 employees and over a €450 million net turnover in the EU
  - Simplification emphasis: reducing the reporting burden and administrative complexity

Sustainable finance - 10

The CRSD CSDDD …. Continued:

- **CSDDD key outcomes:**
  - **Greatly narrowed scope**: Due diligence obligations now apply mainly to very large companies — those with more than 5000 employees and over €1.5 billion net turnover
  - **Delayed application**: Effective compliance deadlines have been pushed out, in many cases to mid-2029, giving companies more time to prepare
  - **Dropped or weakened requirements**: Certain obligations in the original CSDDD - including mandatory climate transition plans - are removed or made voluntary. The harmonized EU liability regime is also being scrapped; Member States now independently determine how they apply penalties, with a maximum of 3% of global turnover for non-compliance
  - **Risk-based focus**: Obligations concentrate on direct business partners and areas of greatest risk, rather than full value-chain mapping in all cases
  - **The Council gave the green light** for implementation of the Omnibus I proposals on 3 March 2026

Sustainable finance - 11

ESG-risks – included in the prudential CRD/CRR framework – 1

- Inclusion of significant ESG-risks in institutions' risk management policies - *art. 74 CRD*

- A mandate for the EBA to assess and possibly issue guidelines regarding the inclusion of ESG risks in the SREP - *art. 98(8) CRD*

- A requirement for large, listed institutions to disclose ESG risks - *art. 449a CRR*
  note that some banks are also in the scope of the NFRD

- A mandate for the EBA to assess whether a dedicated prudential treatment of ESG-risk exposures related would be justified - *art. 501c CRR*

Sustainable finance - 12

ESG-risks – included in the prudential CRD/CRR framework – 2

	What?	Examples:
Risk disclosures:	**Climate change transition risk** *Sector/asset Information that may highly contribute to climate change*	• Exposures to fossil fuel companies excluded from sustainable climate benchmarks • For real estate exposures, distribution of the exposures by energy performance of the collateral
	Climate change physical risk *Risk exposures subject to extreme whether events (sector/geography)*	• Assets subject to impact from chronic climate change events by sector and geography • Assets subject from impact from acute climate change events by sector/geography

Source: EBA infographic Summary of ESG disclosures Pillar 3

Sustainable finance - 13

ESG-risks – included in the prudential CRD/CRR framework – 3

	What?	Examples
Risk mitigation actions:	Actions that support counterparties in the **transition** to a carbon neutral economy but that not meet taxonomy criteria	• Building renovation loans that that improve the energy of the building but do not meet the taxonomy screening criteria
	Actions that support counterparties in the **adaption** to climate change but do not meet taxonomy criteria	• Loans to build barriers against flooding, or water management mechanisms against draughts but do not meet the taxonomy screening criteria

Source: EBA infographic Summary of ESG disclosures Pillar 3

Sustainable finance - 14

ESG-risks – included in the prudential CRD/CRR framework – 3

	What?	Examples
Green asset ratio	Information on exposures towards taxonomy-aligned activities consistent with Paris agreement goals that contribute substantially to climate change mitigation (CCM) and adaption (CCA), including information on transitional and enabling activities	• **Contributing to CCM:** generation of renewable energy • **Enabling CCM:** manufacture of renewable energy technologies • **Contributing to CCA:** a forestation • **Enabling CCA:** engineering activities for adaption to climate change

Sustainable finance - 15

ESG-risks – included in the prudential CRD/CRR framework – 4

	What?	Examples
Qualitative disclosures	Qualitative information on ESG risks	• Governance arrangements • Business model and strategy • Risk management

Sustainable finance - 16

- **Sustainable Finance Disclosure Regulation (SFDR)** – (EU) 2019/2088: ESG-related transparency requirements - in short: how financial market participants must disclose sustainability information to end-investors

- **Entry into application: 1 January 2023**

- **The requirements in the Regulation include**: Sustainability risk policies on entity's website; Transparency of adverse sustainability impact at entity level; Transparency of remuneration policies in relation to integration of sustainability risks; Transparency of the integration of sustainability risks in investments decisions and impact on returns; and Transparency of adverse sustainability impacts at financial product level

- **Simplification of transparency rules for financial products** – 20 November 2025, amendments proposed by the European Commission of the EU's transparency framework for financial products aiming to deliver simpler and more usable information for investors, while reducing disclosure requirements and compliance costs for financial actors

Sustainable finance - 17

ESG rating regulation – 2024/3005/EU (not specific financial services legislation)

- The Regulation It will ensure that stakeholders have access to reliable and comparable information about **the *what ESG rating asses and how they assess*** (the objectives and methodology)
- **ESG rating providers offering services in the EU are authorised and supervised by the ESMA** (focus on governance and independence)
- **Entry into application: 2 July 2026**
- Implementing & Delegated Acts (in preparation): a DA about fees charged by the ESMA to ESG rating providers, and a DA about rules of procedure on fines and periodic penalty payments imposed to ESG rating providers by the ESMA

Sustainable finance - 18

Benchmark Regulation (BMR) – (EU) 2016/1011:

- **Prevents "greenwashing**" at the index level by ensuring that any benchmark claiming to be "ESG" or "Green" follows strictly defined rules rather than vague marketing terms

- **The BMR established 2 protected 'labels' for climate benchmarks**, the *EU Climate Transition Benchmark* (aimed at a broad transition to low-carbon) and the *EU Paris-Aligned Benchmark* (aimed at the 1.5°C Paris Agreement goal

- **The BMR imposes transparency requirements on benchmarks** (excl. interest rates and FX) – how ESG factors are weighted and what data sources they use; whether the benchmark pursues ESG objectives and how it aligns with the target of carbon emission reduction; and finally: greenwashing is explicitly forbidden

- **The latest update reduced the administrative burden for 'non-significant' benchmarks** – (EU) 2025/914 applies from 1 January 2026

Sustainable finance - 19

European Green Bond Standard Regulation – 2023/2631/EU

- **The EuGB sets a clear gold standard for European Green Bonds** (EuGB), relying on the detailed criteria of the EU Taxonomy

- **EuGB issuers are supervised (in NL) by the AFM** (supervises EuGB issuers and SSPEs [1] in securitisations), **and DNB** (supervises securitisation initiators)

- **ESMA supervises external reviewers** who provide the mandatory pre-issuance and post-issuance reviews for EuGBs (whether a bond labelled as EuGB meets all regulatory requirements); they must be registered with ESMA (mandatory from 26 June 2026), undergo ESMA's ongoing supervision and comply with ESMA's regulatory technical standards

[1] Securitisation Special Purpose Entities

MiFID II / MiFIR review

(EU) 2024/790 & (EU) 2024/791

MiFID II / MiFIR & related key regulations

Level 1	**MiFID II 2014/65/EU** Authorization and organizational requirements for Investment Firms (IF), trading venues, and investor protection.	**MiFIR (EU) 600/2014** Transparency, transaction reporting, and trading obligations
Level 2	**DA (EU) 2017/565** Organizational requirements for IF	**DA (EU) 2017/567** Definitions, transparency, portfolio compression and supervisory measures
Recent updates	**MiFID II review – (EU) 2024/790** Amends MiFID II regarding trading venues and investor protection	**MiFIR Review – (EU) 2024/791** Amends MiFIR regarding market data transparency, the introduction of a consolidated tape, & banning payment for order flow

Aim of the MiFID 2 / MiFIR review

The review focuses on improving the transparency and structure of financial markets by removing barriers to market data and simplifying regulations:

- **Consolidated Tape**: Market liquidity insight is promoted through a central system that aggregates real-time trading data (prices and volumes) for bonds, equities, ETFs, and OTC derivatives
- **Ban on Payment for Order Flow**: An EU-wide ban on the practice where investment firms receive compensation for routing client orders to specific trading venues
- **Transparency Regime**: Improving price formation through the tightening of rules for pre- and post-trade transparency
- **Systematic Internalisers** (SI): To reduce the regulatory burden, quantitative tests used to determine if an investment firm is designated as an SI are being simplified or eliminated
- **Double Volume Cap**: To reduce complexity, limitations on 'dark trading' (trading outside of public order books) are being streamlined to a single threshold

Implementation:

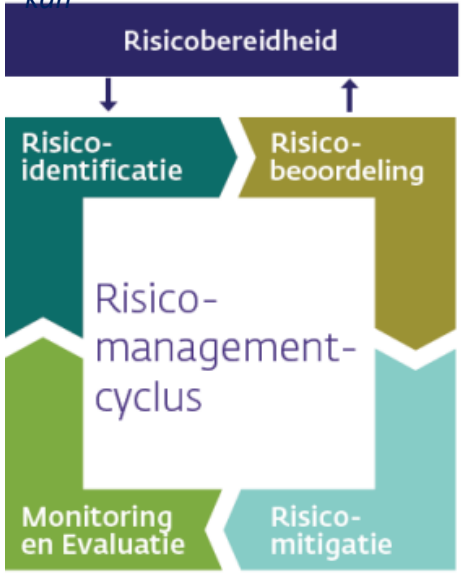
- Amendment of MiFID II (EU) 2024/790 and MiFIR (EU) 2024/791
- The amendments to MiFID II are being implemented via the Implementatiewet herziening MiFID II 20 (the legislative procedure is ongoing)
- Deadline for MiFID II review implementation: September 29, 2025.
- The MiFIR review has been applicable since March 20, 2024
- Phased application for certain provisions due to the RTS/ITS program running through 2026

The amendment of MiFID II (EU) 2024/790 and MiFIR (EU) 2024/791 is neither part of the Market Integration and Supervision Package (MISP) nor the Retail Investment Strategy (RIS). These specific legal acts refer to the 2024 MiFID II/MiFIR Review, which was a distinct, standalone legislative project focused on market transparency and data consolidation

Nieuwe inzichten in het DNB-integriteitstoezicht

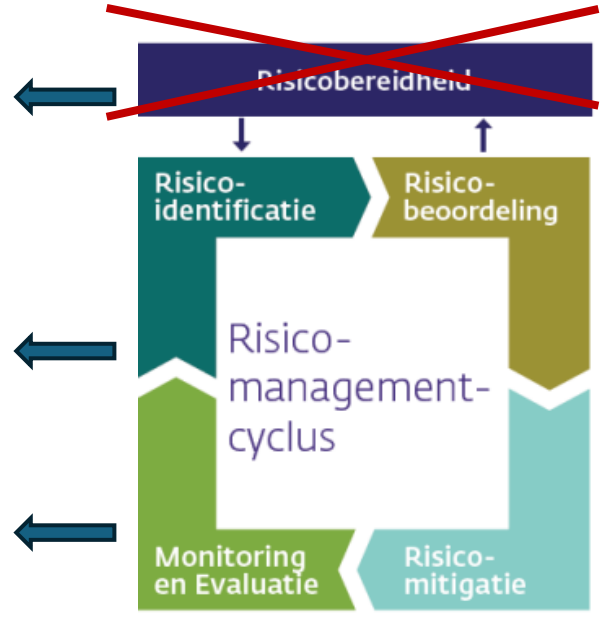
Nieuwe inzichten in het DNB-integriteitstoezicht - *wat is nieuw?*

Good Practices 2015:
"De integriteitsrisicoanalyse, meer waar dat moet, minder waar dat kan"



- Minder voorschrijvend geformuleerd - meer (onverplichtende) Good Practices
- Dus niet langer risico-score met kans & impact en risicobeheersingsmaatregelen zodat de resterende risico's binnen de risicobereidheid vallen
- Niet langer een opsomming van integriteitsrisico's [1] omdat die in de praktijk als voorschrift werden opgevat. Overigens wordt in de Consultatieversie maar liefst 36 keer verwezen naar één van die risico's: ML/FT
- Nadruk niet langer op organisatieschets met scenario-analyse en scoresystematiek voor kans en impact (deze benadering is nu 'genuanceerd') maar nu nadruk op het organisatierisicoprofiel en concretiseren van de risico's

Nieuw: DNB SIRA Good Practices2025



[1] In de Good Practice 2015 werden de volgende integriteitsrisico's onderscheiden: ML/TF, fiscale fraude, corruptie, belangenverstrengeling, interne en externe fraude, cybercrime en maatschappelijk onbetamelijk gedrag.

Nieuwe inzichten in het DNB-integriteitstoezicht - *vragen VvV - 1*

Risicomanagement raamwerk			
122	De indiener (VVV) verzoekt om meer duiding van de procesmatige aanpak van een SIRA wanneer sprake is van een grote groepsstructuur.	De opmerking leidt niet tot een wijziging.	Nee
123	De indiener (VVV) merkt op dat de zinssnede over de SIRA als hoeksteen van integriteitsrisicomanagement niet aansluit bij de toepassing van een breder risicomanagement framework.	De opmerking leidt niet tot een wijziging.	Nee
124	De indiener (PF) verzoekt aandacht voor het behoud van de integrale aanpak van verschillende risico's, waaronder integriteitsrisico's.	De opmerking leidt deels tot een wijziging. De good practice Toetsing opzet en werking stipt de samenwerking met Risicomanagement kort aan.	Ja
125	De indiener (Achmea) verzoekt om een nadere specificatie van de integratie van de SIRA in het bredere risicomanagementsysteem, waarbij de SIRA specifiek toeziet op integriteitsrisico's.	Zie de reactie van DNB bij punt 124.	Ja
126	De indiener (AethiQs) verzoekt om meer nadruk op de rol van integraal risicomanagement.	Zie de reactie van DNB bij punt 124.	Ja

Good practice – Toetsing opzet en werking

Om de effectiviteit van het gehele SIRA-proces en de samenhang met procedures en maatregelen te borgen, beoordelen de compliance- en de auditfunctie van een instelling periodiek de opzet en werking van het beheersingsraamwerk ten aanzien van de integriteitsrisico's. Hierbij wordt samengewerkt met de afdeling Risicomanagement. Hierover wordt gerapporteerd aan het bestuur. Op basis hiervan stelt de instelling waar nodig de op basis van de SIRA benodigde beheersmaatregelen bij.

Integriteitsrisicomanagement i.s.m. Riskmanagement – volstaat dat?

243

Nieuwe inzichten in het DNB-integriteitstoezicht - *vragen VvV - 2*

- **Vraag 1**: wat is “integriteit” ? Het beleidsdocument van DNB geeft (slechts) voorbeelden van integriteitsdossiers, maar waarop is die selectie gebaseerd?
- **Vraag 2**: is het integriteitsrisicomanagement niet onderdeel van een breder risk management?

Elementen die kunnen leiden tot een antwoord:

- Het zijn aan artikel 3:17, tweede lid, onder b, ontleende handelingen (integriteitsdossiers):

1. Belangenverstrengeling
2. Het begaan van strafbare feiten door (werknemers van) de financiële onderneming
3. Relaties

→ die het vertrouwen in de onderneming of in de financiële markten kunnen schaden

4. Onbetamelijke handelingen door (werknemers van) de financiële onderneming volgens het ongeschreven recht in het maatschappelijk verkeer

→ Dat hierdoor het vertrouwen in de onderneming of in de financiële markten ernstig kan worden geschaad

- De EBA volgt in haar SREP Guidelines – EBA/GL/2022/03 een meer economische benadering: **“reputational risk”: the current or prospective risk to the institution’s earnings, own funds or liquidity arising from damage to the institution’s reputation.**
- Het voorkomen van “reputational risk” is volgens de EBA onderdeel van het bredere risk management van een financiële instelling en mag niet worden behandelt als onderdeel van het (gelieerde) operationeel risico, maar als onderdeel van de beoordeling van het bedrijfsplan van de instelling

Nieuwe inzichten in het DNB-integriteitstoezicht - *vragen VvV - 32*

Elementen die kunnen leiden tot een antwoord:

- Deze economische benadering sluit ook beter aan bij de definitie van “integriteitsrisico” in artikel 1 van het Besluit prudentiële regels Wft: **“gevaar voor aantasting van de reputatie of bestaande of toekomstige bedreiging van vermogen of resultaat van een financiële onderneming als gevolg van een ontoereikende naleving van hetgeen bij of krachtens enig wettelijk voorschrift is voorgeschreven”**

- Het begrip “reputational risk” dekt in andere bewoordingen hetzelfde af als het begrip “integriteit” bij en krachtens de Wft

- In de ORSA wordt een soortgelijke benadering gevolgd (Guideline 7, par. 2.21) en eveneens in de EIOPA Guidelines on System of Governance (Guideline 23 – Strategic and reputational risk)

Welke les kan je hier als CF uit trekken?


Financial Oversight Expertise
Opleidingen in en advisering over
financieel toezichtrecht
Heeft u nog vragen?
c.Rensen@foexpertise.nl