Regulatory Insights

Financial Services

JULY 2026

Anti-Money Laundering

AMLA launches consultation on a common EU format for reporting suspicious transactions and activities

Publication date: 2 July 2026

What: AMLA launched a public consultation on draft technical standards introducing a harmonised reporting format for suspicious transaction reports (STRs) and suspicious activity reports across the EU.

Key points:

- The initiative aims to replace fragmented national reporting approaches with a common EU reporting framework.
- A harmonised set of data fields will be used by reporting entities across the EU, improving consistency and comparability of reporting.
- Reporting entities will only be required to complete the data fields relevant to their business activities and the nature of the suspicion being reported.
- The framework is intended to provide greater clarity for firms operating across multiple Member States while reducing reporting complexity.
- Financial Intelligence Units (FIUs) are expected to benefit from receiving more structured and standardised information, supporting faster analysis and information sharing.
- The standards are designed to improve cooperation between FIUs and strengthen the EU's overall AML/CFT framework while allowing for sector-specific reporting needs.

Next steps:

- The consultation is open to stakeholders from the financial and non-financial sectors, competent authorities and international organisations.
- AMLA will hold a public hearing on **9 September 2026**.
- Following the consultation, AMLA will finalise the technical standards for adoption as part of the new EU AML framework.

Medium impact: The proposal would standardise suspicious transaction reporting across the EU, improving consistency for reporting entities and facilitating more effective information exchange between FIUs.

AMLA concludes public hearing on draft guidelines for ongoing monitoring of business relationships

Publication date: 2 July 2026

What: AMLA has concluded a public hearing on its draft guidelines relating to the ongoing monitoring of business relationships, a key component of the EU's new AML/CFT framework and risk-based supervisory approach.

Key points:

- The hearing attracted more than 1,200 stakeholders from the financial and non-financial sectors, as well as civil society organisations.
- Discussions focused on requirements for updating customer information and monitoring of transactions and activities.
- The draft guidelines are intended to provide a practical framework for implementing ongoing monitoring obligations across all categories of obliged entities.
- AMLA emphasised that the principles of proportionality and a risk-based approach are embedded throughout the guidelines.

- The guidelines are designed to apply to all obliged entities, regardless of size, ranging from small firms to large institutions.
- Participants raised a broad range of practical and sector-specific questions, highlighting the importance of clear and workable AML/CFT requirements across different industries.
- Feedback received during the hearing will complement responses submitted through the formal consultation process.

Next steps:

- The public consultation remains open until 3 September 2026.
- AMLA will review stakeholder feedback before finalising the guidelines.
- The final guidelines will form part of the EU's harmonised AML/CFT rulebook.

Medium impact: The guidelines will help shape how obliged entities conduct customer due diligence and ongoing monitoring under the new EU AML framework.

AMLA finalises common formats for FIU cooperation and reporting to the EPPO
Publication date: 3 July 2026

What: AMLA has finalised three sets of technical standards aimed at improving cooperation between Financial Intelligence Units (FIUs) and standardising the reporting of financial intelligence to the European Public Prosecutor's Office (EPPO).

Key points:

- Two of the standards introduce harmonised reporting formats for information submitted to the EPPO by FIUs and AMLA.
- The use of common machine-readable templates is intended to facilitate the efficient exchange and processing of information relating to offences affecting the EU's financial interests.
- A third standard establishes common templates for information exchange between FIUs across the EU.
- The framework covers spontaneous disclosures, requests for information, responses, feedback mechanisms and cross-border reports.
- Information exchanges will continue to be conducted through **FIU.net**, the EU's secure platform for FIU cooperation.
- The standards also simplify certain consent procedures, helping to facilitate faster information sharing while maintaining existing safeguards.
- The framework was developed through collaboration between AMLA, FIUs and the EPPO, with additional stakeholder input gathered through a public hearing.

Further information:

- Final Report - ITS under Article 41(2) AMLAR
- Final Report - ITS under Article 31(2) AMLD
- Final Report - ITS under Article 81(1) AMLR
- Annex I - Spontaneous Exchange of Information
- Annex II - Requests for Information
- Annex III - Response to Request for Information
- Annex IV - Provision of Feedback
- Annex V - Cross-Border Report
- Annex VI - Cross-Border Dissemination

Next steps:

- The standards have been submitted to the European Commission for adoption and publication in the Official Journal of the European Union.
- The EPPO reporting requirements will apply from 10 July 2027.

- Certain technical requirements, including fully machine-readable reporting and full FIU.net integration, will apply from 10 July 2028.

Medium impact: The standards will enhance consistency and efficiency in AML/CFT information sharing across the EU, supporting stronger cooperation between FIUs, AMLA and the EPPO.

AMLA consults on rules for cross-border information sharing between Financial Intelligence Units

Publication date: 6 July 2026

What: AMLA launched a [public consultation](#) on draft technical standards that will establish common EU rules for determining when suspicious activity information should be shared between Financial Intelligence Units (FIUs) across Member States.

Key points:

- The proposal aims to harmonise the exchange of financial intelligence between FIUs and reduce differences in national practices.
- AMLA seeks to create a clear and consistent framework for identifying when a suspicious activity report has a cross-border element requiring information sharing.
- The draft standards distinguish between:
  - Cross-border reports, where relevant information is shared in full; and
  - Cross-border information sharing, where only key information is transmitted.
- The framework introduces objective and data-based criteria intended to support more consistent decision-making and reduce both over-reporting and under-reporting.
- The standards are designed to be compatible with **FIU.net**, enabling greater automation and more efficient information exchange between FIUs.
- The initiative forms part of AMLA's broader mandate to strengthen cross-border cooperation and improve the effectiveness of the EU AML/CFT framework.
- While the proposals primarily affect FIUs, AMLA is also seeking input from law enforcement authorities, EU institutions, international organisations and other stakeholders with relevant expertise.
- **Next steps:**
- The consultation remains open for feedback until **6 October 2026**.
- AMLA will review stakeholder feedback before finalising the standards.

Medium impact: The proposal aims to improve the speed, consistency and effectiveness of cross-border financial intelligence sharing within the EU AML/CFT framework.

AMLA introduces a common EU approach to enforcing AML/CFT rules

Publication date: 8 July 2026

What: AMLA has published draft regulatory technical standards establishing a harmonised EU framework for assessing breaches of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) requirements and determining appropriate supervisory measures and sanctions.

Key points:

- The standards aim to ensure that similar AML/CFT breaches are treated consistently across the EU.
- Supervisors will apply a common methodology to assess the seriousness of breaches and determine the appropriate enforcement response.

- The assessment will take into account factors such as:
    - the duration of the breach;
    - whether the breach is repeated or systemic; and
    - its impact on AML/CFT compliance objectives.
- Breaches will be classified according to four levels of gravity, helping to promote more consistent supervisory outcomes across Member States.
- The framework seeks to strengthen supervisory convergence while preserving proportionality, effectiveness and deterrence.
- The standards apply across both the financial and non-financial sectors covered by the EU AML/CFT regime.
- Once adopted, the rules will apply directly throughout the EU.

Next steps:

- The standards have been submitted to the European Commission for adoption.
- Following adoption, competent authorities will be required to apply the harmonised enforcement framework when assessing AML/CFT breaches.

Further information:

- [Final Report – RTS under Article 53(10) AMLD]

Medium impact: The standards will support more consistent AML/CFT enforcement across the EU.

AMLA consults on harmonised AML/CFT risk assessments for the non-financial sector

Publication date: 13 July 2026

What: AMLA has launched a [public consultation] on draft standards introducing a common methodology for assessing money laundering and terrorist financing risks across the EU's non-financial sector.

Key points:

- The proposal aims to ensure a more consistent and risk-based approach to AML/CFT supervision across Member States.
- Supervisors would use a common methodology to assess the risk profiles of businesses and professionals operating in the non-financial sector.
- The framework recognises that different sectors face different risks and therefore provides tailored risk indicators for specific activities, including legal services, real estate and gambling.
- A proportionality approach is included, with smaller entities subject to fewer reporting requirements than larger or more complex businesses.
- Supervisors would be encouraged to use existing information where possible to minimise reporting burdens.
- The initiative seeks to improve supervisory convergence and ensure that similar businesses are assessed on a consistent basis across the EU.

Next steps:

- The consultation is open to stakeholders across the non-financial sector.
- AMLA will hold a [public hearing] on **10 September 2026**.
- The proposed methodology is expected to apply from **31 December 2028**.

Medium impact: Non-financial obliged entities may face more consistent AML/CFT risk assessments across the EU, supported by a common supervisory methodology and sector-specific risk indicators.

AMLA finalises standards for supervisory cooperation in direct supervision

Publication date: 21 July 2026

What: AMLA has published final standards governing cooperation with national financial supervisors in the selection and direct supervision of significant cross-border financial institutions under the new EU AML/CFT framework.

Key points:

- From **2028**, AMLA will directly supervise selected high-risk cross-border financial institutions at the group level.
- The standards establish a clear process for identifying entities that fall within AMLA's direct supervisory remit.
- National supervisors will collect and validate relevant data, while AMLA will conduct risk assessments and make the final selection decisions.
- The framework provides for the transfer of supervisory records when supervision moves between national authorities and AMLA, ensuring continuity of oversight.
- Proportionality has been incorporated, with detailed reporting requirements applying only to entities identified as potentially eligible for direct supervision.
- The standards were developed in close cooperation with national supervisory authorities.

Next steps:

- The standards have been submitted to the European Commission for adoption.
- They will apply to the data collection and selection process leading up to the commencement of AMLA's direct supervisory activities in **2028**.

Further information:

[Final Report – ITS under Article 15(3) AMLAR]

Medium impact: Establishes the framework for AMLA's direct supervision of significant cross-border financial institutions from 2028.

AMLA publishes FAQs on reporting for provisionally eligible entities subject to direct supervision

Publication date: 22 July 2026

What: AMLA has published a [Frequently Asked Questions] (FAQ) document to support reporting entities and national supervisors in the data collection process used to identify entities that may fall under AMLA's direct supervision.

Key points:

- The FAQ provides practical guidance on completing the [reporting package] for identifying provisionally eligible obliged entities.
- It addresses common questions raised by national financial supervisors on interpretation, implementation and reporting requirements.
- The document is intended to help reporting entities prepare accurate and consistent submissions.
- The guidance complements previously published materials, including the reporting package and AMLA's [webinar] on eligible entities.
- Additional questions may be submitted through the relevant national financial supervisor and may be incorporated into future FAQ updates.

Next steps:

- Reporting entities should review the FAQ alongside AMLA's reporting package and supporting guidance.
- AMLA will continue updating the FAQ based on feedback and implementation experience.

Low impact: Provides practical clarification to support firms participating in AMLA's direct supervision eligibility assessment process.

Asset Management

ESMA launches Common Supervisory Action on the risk management function of UCITS management companies and AIFMs
Publication date: 3 July 2026

What: ESMA has launched a Common Supervisory Action (CSA) with national competent authorities (NCAs) to assess the effectiveness of the risk management function of UCITS management companies and Alternative Investment Fund Managers (AIFMs) across the EU.

Key points:

- The exercise will assess compliance with key risk management requirements under the UCITS Directive and the AIFMD frameworks.
- Particular focus will be placed on the effectiveness, independence and expertise of the risk management function.
- ESMA has identified risk management as a critical component of investor protection and financial stability, ensuring that material risks are appropriately identified, measured, monitored and managed.
- NCAs will assess firms across three key areas:
    - governance and organisation of the risk management function;
    - identification, measurement and monitoring of risks; and
    - reporting to senior management and governing bodies.
- The review will be conducted using a common assessment framework developed by ESMA to promote a consistent supervisory approach across Member States.
- NCAs will share findings and supervisory experiences through ESMA, supporting greater supervisory convergence across the EU.

Next steps:

- The CSA will be conducted throughout late 2026 and 2027.
- NCAs may engage directly with selected management companies and AIFMs through information requests, thematic reviews or supervisory inspections.
- ESMA is expected to publish a **final report in 2028** summarising its findings and identifying areas for regulatory and supervisory improvement.

High impact: This initiative is particularly relevant for UCITS management companies and AIFMs, as it signals heightened supervisory scrutiny of risk management arrangements. Firms should review the independence, governance, documentation and effectiveness of their risk management function to ensure it meets ESMA's supervisory expectations and is well prepared for regulatory review.

Banking & Finance

EBA peer review finds strong compliance with Pillar 3 disclosure supervision but identifies areas for greater consistency
Publication date: 2 July 2026
What: EBA has published the results of a targeted peer review assessing how national competent authorities supervise compliance with the **Pillar 3 disclosure requirements** under the Capital Requirements Regulation (CRR) and the Bank Recovery and Resolution Directive (BRRD).
Key points:
- The review assessed supervisory practices between **1 June 2023 and 30 June 2025**.
- Pillar 3 disclosures are designed to enhance market discipline and transparency by requiring banks to publish information on their risk profile, capital position, governance arrangements and risk management practices.

The review examined:
  - the integration of Pillar 3 requirements into supervisory frameworks;
  - supervisory arrangements for reviewing disclosures and governance processes;
  - assessment methodologies used to review disclosure compliance; and
  - supervisory and enforcement actions taken in response to deficiencies.
- The EBA found that most competent authorities have fully or largely incorporated Pillar 3 requirements into their supervisory frameworks, demonstrating a high degree of supervisory convergence across the EU.
- Four authorities were identified as applying Pillar 3 supervisory requirements to a particularly high standard.
- Despite the generally positive findings, differences remain between jurisdictions:
  - one authority was rated as only partially applying the relevant requirements, although remediation measures are underway; and
  - another authority received predominantly "not applied" ratings due to the absence of formal supervisory methodologies and processes.
- The EBA emphasised the importance of consistent supervision to ensure that market participants can rely on high-quality and comparable disclosures across the EU banking sector.

Next steps:
- Competent authorities are expected to consider the findings and recommendations arising from the peer review.
- The EBA will continue promoting supervisory convergence and the consistent application of Pillar 3 requirements across Member States.
- Follow-up actions may be introduced where necessary to address identified supervisory gaps and strengthen oversight practices.

Medium impact: The review confirms generally strong supervisory oversight of Pillar 3 disclosures across the EU, supporting transparency and market discipline. However, the identified differences between jurisdictions highlight the EBA's continued focus on achieving greater supervisory consistency and comparable disclosure standards across the banking sector.

EBA has published 2025 loss data for residential and commercial real estate exposures under the CRR

Publication date: 6 July 2026

What: EBA published its annual dataset on losses and exposures relating to residential and commercial immovable property across the EU and EEA for 2025, in accordance with Article 430a of the Capital Requirements Regulation (CRR).

Key points:

- The publication provides a centralised and harmonised source of data on losses and exposures secured by residential and commercial real estate across national property markets.
- The data is based on supervisory reporting submitted by credit institutions and supports the application of certain preferential prudential treatments under the CRR.
- In particular, the data is relevant for the CRR's "hard test" mechanism, which allows institutions to apply specific capital treatment benefits where prescribed loss-rate thresholds are met.
- The dataset supports the application of:
  - **Article 125(2) CRR**, relating to the loan-splitting approach for income-producing residential real estate exposures;
  - **Article 126(2) CRR**, relating to income-producing commercial real estate exposures; and
  - **Articles 199(3) and 199(4) CRR**, which permit the recognition of certain residential and commercial real estate as eligible collateral under the Internal Ratings-Based (IRB) approach.
- The publication aims to improve transparency, simplify implementation and promote consistent application of the relevant CRR provisions across the EU.
- The EBA emphasises that the publication does not modify the legal requirements under the CRR and does not constitute a supervisory determination regarding the eligibility of individual exposures.
- Institutions remain responsible for assessing whether all relevant CRR conditions are satisfied before applying the related prudential treatments.

Next steps:

- Credit institutions should assess the published loss-rate data when determining the availability of the relevant CRR derogations and prudential treatments.
- The EBA will continue publishing this information annually in accordance with Article 430a CRR.
- For certain jurisdictions, including **Belgium, France, Croatia and Romania**, institutions should refer to loss data published by the relevant national competent authorities for the purposes of applying the relevant CRR provisions.

Medium impact: The publication supports the consistent application of capital requirements for real estate-backed exposures across the EU. Banks should review the updated loss-rate data when assessing the prudential treatment of residential and commercial real estate exposures under the CRR.

EBA publishes final Guidelines on the authorisation of third-country branches under CRD6

Publication date: 7 July 2026

What: EBA has published final Guidelines on the authorisation of third-country credit institutions seeking to establish a branch in an EU Member State. The Guidelines form part of the new **Third-Country Branch (TCB) regime introduced under CRD6**, which aims to create a more harmonised framework for access to the EU banking market.

Key points:

- The Guidelines set out the information, assessment criteria, application forms and procedures to be used when applying for authorisation of a third-country branch.
- They are addressed both to national competent authorities and to third-country credit institutions seeking to establish a branch within the EU.
- Applicants will be required to submit a **non-objection statement** from the supervisory authority of the third-country parent institution as part of the authorisation process.
- The Guidelines aim to ensure a consistent and harmonised approach to the assessment of third-country branch applications across Member States.
- They also clarify the circumstances in which competent authorities may rely on information previously submitted by an applicant in other authorisation procedures.
- The Guidelines form part of a broader prudential framework introduced under **CRD6**, covering:
  - authorisation requirements;
  - booking arrangements;
  - capital endowment;
  - liquidity requirements;
  - internal governance;
  - reporting obligations; and
  - supervisory cooperation and oversight.
- The new framework seeks to strengthen supervisory oversight of third-country banking groups operating within the EU and promote a level playing field across Member States.

Next steps:

- Competent authorities will incorporate the Guidelines into their authorisation processes for third-country branches.
- The EBA is expected to finalise revised Guidelines on internal governance for third-country branches by the end of 2026, completing a key part of the new CRD6 framework.
- Member States will be implementing the broader CRD6 regime governing third-country banking activities in the EU.

Medium impact: The Guidelines provide greater clarity and harmonisation for third-country banks seeking access to EU markets through branch structures. Banking groups with existing or planned EU branch operations should review the new requirements and assess their readiness for the enhanced authorisation and supervisory framework under CRD6.

EBA issues Opinion on the implementation of IFRS 18 in supervisory financial reporting

Publication date: 8 July 2026

What: EBA has published an Opinion providing guidance on the reporting of profit and loss information during the transition period between the application of IFRS 18 and the entry into force of the corresponding amendments to the FINREP supervisory reporting framework.

Key points:

- IFRS 18, endorsed in the EU in February 2026, replaces IAS 1 and introduces a new structure for the statement of profit or loss.
- Institutions will be required to apply IFRS 18 in their financial statements from 1 January 2027.
- The revised FINREP requirements reflecting IFRS 18 are expected to become mandatory only from September 2027, creating a transitional gap.
- To avoid the operational burden of maintaining two different profit and loss reporting formats during this period, the EBA advises competent authorities to allow institutions to voluntarily use IFRS 18-aligned FINREP templates.

- The proposed templates have been developed as part of the EBA's draft amendments to the FINREP Implementing Technical Standards (ITS).
- The Opinion aims to ensure consistency between publicly disclosed financial statements and supervisory reporting while facilitating a smoother implementation of IFRS 18.
- The initiative also forms part of the EBA's broader efforts to simplify and streamline EU supervisory reporting requirements.

Next steps:

- The revised FINREP templates will be included in the supervisory reporting technical package version 4.4 (Phase 1), expected to be published during 2026.
- The EBA intends to submit the final amended FINREP ITS to the European Commission by the end of 2026.
- Mandatory application of the revised FINREP framework is currently expected from September 2027.

Medium impact: The Opinion provides practical transitional relief for credit institutions implementing IFRS 18, helping to align accounting and supervisory reporting requirements while reducing operational and reporting complexity during the implementation period.

EBA releases final version 4.3 reporting framework supporting Third-Country Branch reporting and AMLA data collection

Publication date: 9 July 2026

What: EBA published the final technical package for version 4.3 of its reporting framework, introducing new reporting specifications for **Third-Country Branches (TCBs)** under the Capital Requirements Directive (CRD) and supporting data collection for the Anti-Money Laundering Authority (AMLA).

Key points:

- The technical package includes the Data Point Model (DPM), validation rules and XBRL taxonomies required for the implementation of new reporting requirements.
- It supports the supervisory reporting framework for **Third-Country Branches**, introduced under the CRD6 regime.
- The first reporting reference date for TCB reporting is **31 March 2027**.
- The package also introduces reporting components supporting AMLA's methodology for identifying entities that may fall under its direct supervision.
- The first reference date for the AMLA risk assessment data collection exercise is **31 December 2026**.
- As part of its reporting simplification efforts, the EBA has introduced a new **Glossary Usage Exploration** file, designed to provide a more user-friendly view of reporting concepts, definitions and their relationships within the reporting framework.
- The new tool aims to improve the interpretation of reporting requirements, facilitate impact assessments and support a more consistent understanding of the EBA's reporting framework.
- The final package incorporates feedback received from industry stakeholders following the publication of the draft framework in April 2026.

Next steps:

- Firms subject to the new reporting requirements should begin preparing for implementation ahead of the relevant reporting dates in 2026 and 2027.
- The EBA may issue a targeted **"hotfix" update** in September 2026 if critical clarifications or technical adjustments are required following initial implementation feedback.
- Future reporting submissions will be based on the updated DPM, validation rules and XBRL taxonomy included in version 4.3.

Medium impact: Affected institutions should prepare for the new reporting requirements for third-country branches and AMLA-related data submissions.

EBA consults on amendments to data collection for the 2027 market risk benchmarking exercise

Publication date: 17 July 2026

What: EBA has launched a consultation on targeted amendments to the Implementing Technical Standards (ITS) governing the 2027 market risk benchmarking exercise. The proposed changes aim to align the benchmarking framework with recent regulatory developments while allowing firms and supervisors sufficient preparation time.

Key points:

- The market risk benchmarking exercise helps supervisors assess the consistency and quality of internal models used by institutions to calculate regulatory capital requirements.
- The EBA proposes extending the scope of the exercise to institutions applying the CRR3 Alternative Standardised Approach (ASA), regardless of whether they use internal models.
- The collection of data under the CRR2 Internal Model Approach (IMA) would resume.
- The 2027 benchmarking exercise would be postponed to the second half of 2027.
- Collection of data under the CRR3 Alternative Internal Model Approach (AIMA) would be postponed due to uncertainty surrounding its implementation timeline.
- The EBA also proposes streamlining and reorganising market risk reporting templates.
- The amendments reflect the upcoming application of the Fundamental Review of the Trading Book (FRTB) framework from 1 January 2027.
- Most proposed changes are technical and intended to ensure a smooth transition to the new market risk regime.

Next steps:

- The consultation is open until **3 September 2026**.
- A public hearing was held on **28 July 2026**.
- Following feedback, the EBA will finalise the amended ITS for the 2027 benchmarking exercise.

Medium impact: The proposal will align the market risk benchmarking exercise with the CRR3 and FRTB frameworks, requiring affected institutions to assess the updated scope, reporting templates and data collection requirements in preparation for the 2027 exercise.

EBA publishes final technical standards on material acquisitions, mergers and divisions under CRD

Publication date: 17 July 2026

What: EBA has published final draft regulatory and implementing technical standards on material acquisitions, transfers of assets or liabilities, mergers and divisions involving credit institutions and (mixed) financial holding companies under the Capital Requirements Directive (CRD).

Key points:

- The standards aim to promote greater consistency in the prudential assessment of significant banking transactions across the EU.
- They establish common information requirements, assessment methodologies and procedures for material acquisitions, mergers and divisions.
- The framework seeks to reduce regulatory uncertainty and support banking sector consolidation and EU market integration.
- Proportionality is a key feature, with simplified requirements for intra-group transactions and smaller entities.
- The standards avoid duplication by allowing authorities to rely on information already available or prepared under company law requirements.
- Clear processes and timelines are introduced to facilitate cooperation between competent authorities involved in cross-border transactions.
- Harmonised terminology and notification requirements are intended to streamline transactions that trigger multiple CRD notification obligations.

Next steps:

- The draft standards will be submitted to the European Commission for endorsement.
- Once adopted, the framework will support a more consistent supervisory approach to material banking transactions across the EU.

Medium impact: The standards provide greater clarity and a more streamlined process for significant banking transactions, particularly cross-border acquisitions, mergers and group reorganisations.

EBA seeks feedback on draft version 4.4 of its reporting and disclosure framework

Publication date: 24 July 2026

What: EBA has published a draft technical package for version 4.4 of its reporting and disclosure framework, covering IFRS 18 reporting, ESG disclosures, FRTB-related disclosures and other technical updates. The draft is intended to help institutions prepare for upcoming changes before the final package is published in September 2026.

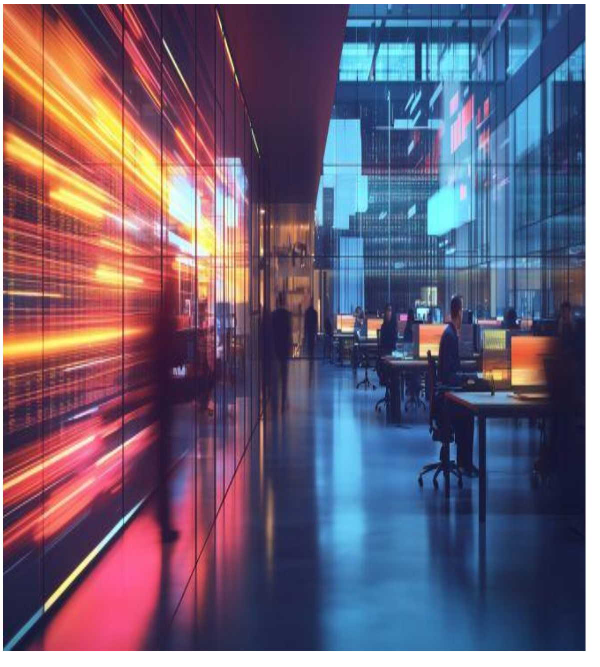
Key points:

- The draft package includes updates to the Data Point Model (DPM), validation rules and XBRL taxonomies.
- Key changes cover:
  - ESG-related Pillar 3 disclosure requirements;
  - IFRS 18-aligned FINREP reporting templates;
  - integration of FRTB disclosure templates;
  - amendments relating to resolution planning, MREL and Pillar 3 disclosures; and
  - AMLA eligibility reporting templates.
- The package supports the EBA's transition towards DPM 2.0 and includes updates to the reporting glossary.
- The initiative aims to provide firms with additional implementation time and allow stakeholders to identify any technical issues before finalisation.
- A second phase of the 4.4 release is expected to include additional reporting simplification measures currently under consultation.

Next steps:

- Stakeholders may submit comments until 24 August 2026.
- Additional reporting simplification measures are expected to follow under the subsequent 4.4.1 release.

Medium impact: The proposed changes affect several reporting and disclosure frameworks, requiring institutions to prepare for updated ESG, IFRS 18, FRTB and AMLA reporting requirements.



Digital Assets

ESMA launches Common Supervisory Action on CASPs’ digital operational resilience for custody services

Publication date: 8 July 2026

What:

ESMA has launched a Common Supervisory Action (CSA) with national competent authorities (NCAs) to assess the digital operational resilience of Crypto-Asset Service Providers (CASPs), focusing specifically on custody services.

Key points:

- The CSA will evaluate the maturity and effectiveness of CASPs’ digital operational resilience frameworks in relation to crypto-asset custody activities.
- The review will focus on risks arising from the use of distributed ledger technology (DLT) and related operational processes.
- Key areas of assessment include:
  - governance and oversight arrangements;
  - cryptographic key management and storage controls;
  - transaction processing and control mechanisms;
  - incident detection, response and recovery capabilities;
  - smart contract-related risks; and
  - reliance on third-party service providers.
- The exercise will be conducted by NCAs on a risk-based sample of authorised CASPs across the EU.
- The initiative reflects ESMA’s supervisory priorities, which identify both digital operational resilience and crypto-asset service providers as areas of heightened regulatory focus.
- The CSA also aims to promote greater supervisory convergence in the oversight of the rapidly evolving crypto-assets sector.

Next steps:

- The exercise will run from the second half of 2026 through the first half of 2027.
- NCAs will share findings and supervisory experiences through ESMA during the review.
- ESMA will consolidate the findings and present a final report to its Board of Supervisors in the second half of 2027.

High impact: The CSA signals increased supervisory scrutiny of CASPs operating under MiCA, particularly those providing custody services. Firms should assess the adequacy of their governance arrangements, cybersecurity controls, key management procedures, incident response capabilities and third-party risk management frameworks to ensure they meet emerging supervisory expectations.

Securities & Markets

ESMA identifies up to €1 billion in annual savings from a 'Report Once' approach to transaction reporting

Publication date: 2 July 2026

What: ESMA has published its final report on the simplification of EU transaction reporting, proposing a long-term move towards a single integrated reporting framework based on a "Report Once" principle. The initiative aims to reduce duplication, lower compliance costs and improve the quality of supervisory data.

Key points:

- ESMA identified fragmented reporting requirements, duplicative submissions, frequent regulatory changes and dual-sided reporting obligations as key drivers of cost and complexity.
- The report proposes a single integrated transaction reporting framework across **MiFIR, EMIR and SFTR**, allowing firms to report transaction data once through a common modular structure.
- Supervisory authorities would then be able to reuse the reported data across different regulatory mandates, reducing duplication while maintaining effective oversight.
- ESMA estimates that the proposed framework could generate:
  - annual net savings of €250 million to €1 billion;
  - a reduction in recurring reporting costs of approximately 22%-24%; and
  - cumulative discounted net benefits of €1.2 billion to €4.9 billion over a ten-year period.
- Implementation costs are expected to be recovered within **three to four years**, with sustained efficiency gains thereafter.
- As interim measures, ESMA proposes:
  - expanding the use of delegated reporting arrangements;
  - streamlining intragroup exemption procedures; and
  - reducing low-value or duplicative reporting requirements through targeted adjustments at ESMA level.
- The report forms part of ESMA's broader Simplification and Burden Reduction (SBR) initiative aimed at reducing regulatory reporting burdens across EU financial markets.

Next steps:

- ESMA will engage with EU institutions on the proposed recommendations.
- Implementing the integrated reporting model will require legislative changes, phased implementation and continued industry engagement.
- Further work will focus on developing common reporting templates, harmonised data standards and more streamlined reporting infrastructure.

Medium impact: The proposals could significantly reduce reporting costs and operational complexity for investment firms, banks and other financial market participants subject to MiFIR, EMIR and SFTR reporting requirements. While implementation will require legislative action, the initiative reflects the EU's broader drive towards regulatory simplification and more efficient supervisory reporting.

ESMA publishes preliminary findings on the Active Account Requirement and first Annual Report of the Joint Monitoring Mechanism

Publication date: 6 July 2026

What: ESMA has published an Interim Report on the effectiveness of the Active Account Requirement (AAR) under EMIR, together with the first Annual Report of the Joint Monitoring Mechanism (JMM). The reports provide early insights into the impact of the AAR and broader developments in the EU clearing landscape.

Key points:

- As of February 2026, approximately **500 entities** had notified ESMA and national competent authorities that they are subject to the AAR.
- These entities represent over 90% of the notional outstanding positions held by EU entities within the scope of the requirement.
- Notifications were received across most Member States, with particularly high participation from entities in France, Germany and the Netherlands.
- Banks account for approximately half of the entities subject to the AAR.
- ESMA identified early signs of increased clearing activity at EU central counterparties (EU CCPs), with some market participants relocating positions from non-EU clearing venues.
- The report also notes a gradual, albeit limited, shift in market share from systemically important third-country CCPs (Tier 2 CCPs) to EU CCPs in certain products covered by the AAR.
- The JMM's first annual report highlights:
  - continued monitoring of the implementation and effectiveness of the AAR;
  - significant cross-border interdependencies between EU and US cleared markets;
  - the expanding range of products and asset classes cleared by EU CCPs; and
  - ongoing assessment of EU-wide stress testing and financial stability risks within the clearing ecosystem.
- ESMA emphasises that while global clearing linkages support liquidity and efficiency, they may also act as channels for the transmission of market shocks.

Next steps:

- ESMA will develop a dedicated methodology for assessing the effectiveness of the AAR.
- A comprehensive effectiveness assessment is expected in 2027, when a more complete dataset becomes available.
- ESMA will be working with the European System of Central Banks (ESCB), the European Systemic Risk Board (ESRB) and the JMM in evaluating the regime.

Medium impact: The findings suggest that the Active Account Requirement is beginning to support increased clearing activity within the EU, although the shift from third-country CCPs remains gradual. Financial institutions subject to EMIR should continue monitoring developments, as the 2027 assessment may influence future policy measures aimed at enhancing the attractiveness and resilience of EU clearing markets.

ESMA publishes first market capitalisation data for EU Member States under the FASTER Directive

Publication date: 10 July 2026

What: ESMA has published, for the first time, annual market capitalisation figures and market capitalisation ratios for EU Member States under its mandate pursuant to the FASTER Directive. The publication covers the reference years 2024 and 2025.

Key points:

- The publication marks the first implementation of ESMA's responsibilities under the FASTER Directive, including the application of the methodology established through the relevant technical standards.
- The market capitalisation data is used to determine which Member States are subject to specific withholding tax relief obligations under the Directive.
- Member States whose market capitalisation exceeds 1.5% of total EU market capitalisation for four consecutive years are required to implement Chapter III of the FASTER Directive, including the FASTER fast-track relief procedures.

- Based on the 2024 and 2025 data, the Member States currently meeting this threshold are France, Germany, the Netherlands, Spain, Sweden, Italy, Ireland, Denmark, Belgium, Finland, Luxembourg and Poland.
- The publication provides greater transparency and allows national authorities and market participants to assess their obligations and implementation timelines under the Directive.

Next steps:

- ESMA will be publishing updated market capitalisation figures and market capitalisation ratios annually.
- Affected Member States will need to ensure timely implementation of the withholding tax relief mechanisms set out in Chapter III of the FASTER Directive.

Medium impact: The publication provides important regulatory certainty regarding the application of the FASTER Directive's withholding tax relief framework. Financial institutions, custodians and intermediaries operating in affected Member States should monitor implementation measures and prepare for the introduction of the Directive's fast-track refund and relief-at-source procedures.

ESMA launches data collection under the first phase of the European Single Access Point (ESAP)

Publication date: 10 July 2026

What: ESMA has launched the first phase of data collection for [the **European Single Access Point (ESAP)**,] marking a key milestone towards the launch of the EU-wide platform that will provide centralised access to financial and sustainability-related information about companies and investment products across the EU.

Key points:

- Officially Appointed Mechanisms (OAMs) and National Competent Authorities (NCAs) have begun submitting information and metadata to ESAP.
- ESAP will provide free, centralised and user-friendly access to publicly available financial and sustainability information relating to EU entities and financial products.
- The platform aims to improve transparency, facilitate investment decisions and enhance the visibility of EU companies, particularly smaller issuers seeking access to capital markets.
- ESAP does not create new reporting obligations. Instead, it centralises information already disclosed under existing EU legislation.
- Information submitted to ESAP will be collected through designated collection bodies, including national authorities and other entities appointed under EU or national legislation.
- Reporting entities remain responsible for the accuracy, completeness and reliability of the information submitted.
- The first phase of ESAP covers disclosures under:
  - the Transparency Directive;
  - the Prospectus Regulation; and
  - the Short Selling Regulation.
- ESAP forms part of the EU's broader Capital Markets Union, Digital Finance Strategy and Sustainable Finance agenda, and over time will incorporate disclosures under a wide range of financial services and sustainability legislation, including SFDR, UCITS, AIFMD, MiCA and MiFIR.
- Information will be made available in machine-readable and data-extractable formats to facilitate digital use and analysis.

Next steps:

- ESMA will be collecting information throughout the next 12 months ahead of the platform's public launch.
- ESAP is expected to become publicly accessible by **July 2027**.
- Additional reporting frameworks will be integrated in phases between **2028 and 2030**, significantly expanding the scope of information available through the platform.

Medium impact: ESAP will create a central EU platform for financial and sustainability disclosures, increasing transparency and accessibility of information for investors, regulators and market participants.

ESMA publishes follow-up report on the supervision of cross-border investment services

Publication date: 20 July 2026

What: ESMA has published a follow-up report assessing how national competent authorities (NCAs) have implemented recommendations from its 2022 Peer Review on the supervision of cross-border investment services. The review covers the Netherlands, Germany, the Czech Republic, Luxembourg, Cyprus and Malta.

Key points:

- ESMA found that the peer review process has contributed to stronger supervision of cross-border investment services across the EU.
- NCAs have improved their assessment of firms' cross-border business models and expansion plans during the authorisation process.
- Supervisory approaches have become increasingly data-driven and risk-based, enabling NCAs to better identify and monitor cross-border risks.
- ESMA highlighted the importance of ensuring that supervisory resources and enforcement capabilities remain proportionate to the scale and complexity of outbound cross-border activities.
- Effective supervision remains essential to ensuring consistent investor protection throughout the EU Single Market, regardless of where investment services are provided.

Next steps:

- ESMA encourages all NCAs, particularly those experiencing significant growth in cross-border business, to consider the report's findings and recommendations.
- ESMA will continue promoting supervisory convergence, cross-border cooperation and risk-based supervision across the EU.
- Ongoing supervisory efforts will focus on supporting investor protection as cross-border retail investment services continue to expand.

Medium impact: The report signals continued supervisory focus on cross-border investment services and reinforces expectations for robust governance, risk management and regulatory oversight of firms operating across multiple EU jurisdictions.

ESMA calls on firms to finalise preparations for the transition to T+1 settlement

Publication date: 20 July 2026

What: ESMA has issued a statement reminding market participants of the key milestones and preparations required ahead of the EU's transition to a T+1 securities settlement cycle, scheduled to take effect on 11 October 2027.

Key points:

- ESMA emphasises that 2026 is a critical preparation year for firms affected by the move to T+1 settlement.
- The transition will reduce the standard settlement cycle for securities transactions from two business days after the trade date (T+2) to one business day (T+1).
- The move aims to reduce counterparty, market and settlement risk by shortening the period between trade execution and settlement, thereby reducing firms' exposure to adverse market movements and counterparty default.
- ESMA also expects the transition to improve the efficiency and resilience of EU capital markets and align the EU with other major jurisdictions, including the United States and Canada, which have already adopted T+1 settlement.
- Market participants are encouraged to review and adapt their operational processes, systems and controls to ensure readiness.

- ESMA highlights 7 December 2026 as the first key regulatory deadline, relating to the implementation of allocation and confirmation processes.
- Firms should assess readiness across the entire trade lifecycle, including execution, allocation, confirmation, clearing, settlement and post-trade operations.
- Market participants are also encouraged to engage with counterparties, custodians, CSDs and other service providers to ensure preparedness throughout the settlement chain.
- Testing and operational readiness exercises are expected to play a key role in achieving a smooth transition.

Next steps:

- Firms should implement their T+1 transition plans and meet the upcoming December 2026 milestone.
- Industry participants are expected to conduct testing and coordination exercises throughout 2026 and 2027.
- The EU's T+1 settlement regime is scheduled to go live on 11 October 2027.

🟡 **Medium impact:** The move to T+1 is intended to reduce settlement and counterparty risk while improving market efficiency. Firms involved in securities trading, clearing and settlement should use the transition period to enhance trade processing, allocation and confirmation procedures, and ensure operational readiness across the entire post-trade chain.

📰 ESMA authorises EuroCTP as the Consolidated Tape Provider for shares and ETFs

Publication date: 27 July 2026

What: ESMA has authorised **EuroCTP B.V.** to operate as the EU's first **Consolidated Tape Provider (CTP)** for shares and exchange-traded funds (ETFs), marking a significant milestone in the implementation of the consolidated tape framework under MiFIR.

Key points:

- The consolidated tape will bring together pre-trade and post-trade data from multiple trading venues and data contributors into a single, centralised source of market information.
- The initiative aims to improve market transparency, price discovery and market efficiency across EU equity markets.
- By providing a comprehensive view of trading activity, the consolidated tape is expected to help investors make more informed investment decisions and facilitate cross-border investment within the EU.
- Retail investors, academics, civil society organisations and regulators will have access to the data free of charge.
- Other market participants will be able to access and use the data for internal and client-related purposes for a reasonable fee.
- The authorisation supports the broader objectives of the EU's Savings and Investments Union by improving access to market information and enhancing the attractiveness of EU capital markets.
- EuroCTP will operate the consolidated tape under ESMA's direct supervision for an initial period of five years.

Next steps:

- ESMA has granted EuroCTP a transition period until **30 September 2026** to complete the necessary operational and technical arrangements.
- Market participants and data contributors are encouraged to engage with EuroCTP to support the successful implementation of the framework.
- The five-year operating period will commence once EuroCTP begins providing the consolidated tape service.

Medium impact: This should support better price discovery, enhance investor access to market data and improve transparency across EU equity markets.

Published in OJ: Commission Delegated Regulation on firms' order execution policies under MiFID II

Publication date: 23 July 2026

What: Commission Delegated Regulation (EU) 2026/825 has been published in the Official Journal of the European Union. The Delegated Regulation supplements MiFID II by setting out regulatory technical standards specifying the criteria investment firms must take into account when establishing and assessing the effectiveness of their order execution policies.

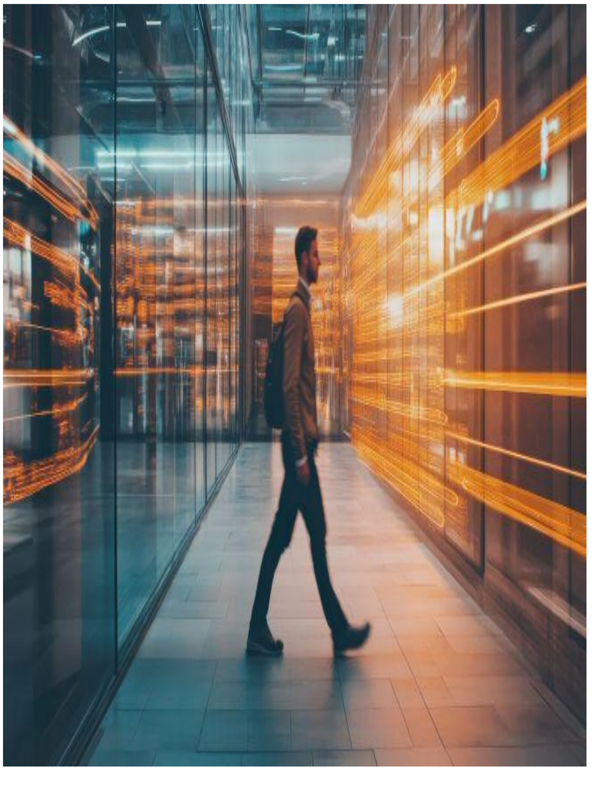
Key points:

- The Delegated Regulation sets out the criteria to be considered by investment firms when establishing and assessing the effectiveness of their order execution policies under MiFID II.
- It aims to support more consistent application of best execution requirements across the EU.
- The new framework replaces the existing technical standards by repealing:
  - Commission Delegated Regulation (EU) 2017/575; and
  - Commission Delegated Regulation (EU) 2017/576.
- The Delegated Regulation enters into force on the twentieth day following its publication in the Official Journal, namely **12 August 2026**.
- It will apply from **12 February 2028**, giving investment firms time to review and update their order execution policies and related governance arrangements.

Next steps:

- Investment firms should review their existing order execution policies against the new RTS criteria.
- Firms should also assess whether their governance, monitoring and review processes for best execution remain appropriate under the new requirements.
- Relevant policies, procedures and client-facing disclosures may need to be updated before the application date of **12 February 2028**.

Medium impact: The Delegated Regulation is relevant for MiFID investment firms and strengthens the framework for assessing the effectiveness of order execution policies. Firms should begin reviewing their best execution arrangements ahead of the 2028 application date.



Sustainability

ESMA consults on simplifying EU Taxonomy disclosure framework

Publication date: 1 July 2026

What: ESMA launched a consultation on technical advice to the European Commission regarding selected disclosure requirements under the EU Taxonomy Disclosures Delegated Act. The consultation focuses on simplifying the reporting framework and reducing compliance burdens for market participants while maintaining meaningful sustainability disclosures for investors.

Key points:

- The consultation supports the European Commission's broader sustainability reporting simplification agenda under the Omnibus package.
- ESMA proposes targeted amendments to the Taxonomy disclosure framework applicable to asset managers and non-financial undertakings.
- Particular focus is given to the Operational Expenditure (OpEx) KPI, following industry concerns regarding its complexity and reporting burden.
- ESMA is seeking feedback on a pragmatic approach to group-level Taxonomy reporting for mixed groups, based on the reporting model of the parent undertaking.
- The consultation forms part of a coordinated review by the European Supervisory Authorities (ESAs), with ESMA, EBA and EIOPA each providing advice within their respective areas of competence.
- The objective is to streamline reporting requirements while preserving the relevance and comparability of Taxonomy-related disclosures for investors and other stakeholders.

Next steps:

- The consultation is open until **12 August 2026**.
- The final technical advice is expected to be submitted to the European Commission by **the end of October 2026**.

Medium impact: The proposals signal a continued effort to reduce the complexity of EU sustainability reporting requirements. Asset managers should monitor developments closely, as the review may lead to simplified Taxonomy disclosure obligations and potential changes to existing reporting processes.

Glossary

AIF – Alternative Investment Fund

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

AIFM – Alternative Investment Fund Manager

AMLA – Anti-Money Laundering Authority

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

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

CASP – Crypto-Asset Service Provider

CCyB – Countercyclical Capital Buffer

CRD – Capital Requirements Directive

CRR – Capital Requirements Regulation

CSDDD – Corporate Sustainability Due Diligence Directive **CSDR** – Central Securities Depositories Regulation

CTP – Consolidated Tape Provider

CySEC – Cyprus Securities and Exchange Commission

DeFi – Decentralised Finance

DLT – Distributed Ledger Technology

DORA – Digital Operational Resilience Act

EBA – European Banking Authority

ECB – European Central Bank

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

EDAP – European Data Access Portal

EFRAG – European Financial Reporting Advisory Group

EIOPA – European Insurance and Occupational Pensions Authority

EMIR – European Market Infrastructure Regulation
EMT – E-Money Token

ESA – European Supervisory Authority

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

ESG – Environmental, Social and Governance
ESMA – European Securities and Markets Authority
ESRS – European Sustainability Reporting Standards

ESRB – European Systemic Risk Board

EU – European Union

EuGB – European Green Bond

FATF – Financial Action Task Force

FIU – Financial Intelligence Unit

FRTB – Fundamental Review of the Trading Book

G-SIIs = Global Systemically Important Institutions
ICT – Information and Communication Technology
INTERPOL – International Criminal Police Organization

IRC – Incremental Risk Charge

IRB – Internal Ratings-Based Approach

IOSCO – International Organization of Securities Commissions

ITS – Implementing Technical Standards

MiCA – Markets in Crypto-Assets Regulation

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

MiFIR – Markets in Financial Instruments Regulation
MREL – Minimum Requirement for Own Funds and Eligible Liabilities

NBFI – Non-Bank Financial Institution

NCA – National Competent Authority

OECD – Organisation for Economic Co-operation and Development

OJ – Official Journal of the European Union

P3DH – Pillar 3 Data Hub

PSD3 – Third Payment Services Directive

PSR – Payment Services Regulation

RTS – Regulatory Technical Standards

RWAs – Risk-Weighted Assets **SFDR** – Sustainable Finance Disclosure Regulation **SIU** – Savings and Investments Union

SNCI – Small and Non-Complex Institution

SREP – Supervisory Review and Evaluation Process

SyRB – Systemic Risk Buffer

TLAC – Total Loss-Absorbing Capacity

UCITS – Undertakings for Collective Investment in Transferable Securities

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