

Global regulatory update

Q1 2025



Introduction

The first quarter of 2025 has brought significant changes in global financial regulation as governments and regulatory bodies adapt to developing market conditions, technological advancements, and emerging risks.

This update highlights the key regulatory changes and trends that have shaped the financial landscape during this period.



Europe - EU updates

- ✓ The EC adopted the Commission Implementing [Decision \(EU\) 2025/215](#) extending the equivalence for UK and Northern Ireland central counterparties, for a period of three years until June 30, 2028.
- ✓ The European Securities and Markets Authority ("ESMA") launched a [Common Supervisory Action \(CSA\) with National Competent Authorities \(NCAs\)](#) focusing on the compliance and internal audit functions of some (not all) UCITS management companies and AIFMs across the EU.
- ✓ ESMA published a [report](#) on their assessment of the use and risks of AI when used by the EU investment fund industry.
- ✓ EFAMA has developed an [AI-System Assessment Tool](#) to help investment firms and fund industry with compliance of AI-related regulations.
- ✓ The European Commission has rejected the ESAs proposed DORA RTS on subcontracting.
- ✓ The Official Journal of the European Union has published the following Commission Delegated and Implementing regulations under DORA:
 - [Commission Delegated Regulation \(EU\) 2025/301](#): This Regulation relates to the technical standards pertaining to the timing and content required at each stage of ICT-incident reporting required by the DORA regulation.
 - [Commission Delegated Regulation \(EU\) 2025/295](#): This Regulation relates to harmonizing oversight practices and is mainly relevant only to National Competent Authorities.
 - [Commission Implementing Regulation \(EU\) 2025/302](#): Further to 2025/301, this regulation contains the standard forms, templates, and procedures for financial entities to use when reporting major ICT incidents.
- ✓ ESA acknowledge the Commissions letter and have made the [recommended edits](#) and request the EC to review the revised text.
- ✓ Aiming to simplify the EU's sustainable finance rules, carbon border adjustment mechanism and investment. [Omnibus package - European Commission](#).
- ✓ [Circular on](#) Updates to the Q&As on Regulation (EU) No 648/2012 – the European Market Infrastructure Regulation ('EMIR' or the 'Regulation').
- ✓ ESMA has, as of February 2025, published a series of updated [Questions and Answers](#) ("Q&A") pertaining to Open interest thresholds in energy derivatives.

Europe – Country updates

Luxembourg

- ✓ CSSF published an updated [FAQ regarding the Luxembourg Investment Fund Law](#) of December 17, 2010 which includes a number of amendments to previous Q&A.
- ✓ CSSF issued an update of its [FAQ on the Money Market Funds Regulation \(MMFR\)](#), to including new information on CSSF Circular 24/856 on NAV errors.
- ✓ The CSSF [Communiqué](#) that the EU CSRD is in the process of being transposed into Luxembourg law (via draft law No. 8370). The Communiqué also reminds that UCITS management companies and registered AIFMs can be caught within the scope of CSRD.
- ✓ CSSF published its updated [ML/TF Sub-sector Risk Assessment](#) for the collective investment sector. The CSSF also confirms the low residual TF risk for Luxembourg's funds.
- ✓ The latest [CSSF Circular 22/822 on AML matters](#) states that Nepal and Laos have been added to the list of jurisdictions of increased monitoring. Whereas the Philippines are no longer under increased monitoring.
- ✓ The CSSF has unveiled a new process for regulated fund prospectuses and offering documents which replaced the old VISA 'stamp' as of April 1, 2025. This new procedure is accessible via CSSF eDesk. [Upcoming evolution in the electronic VISA "stamp" procedure for the prospectuses of UCITS, Part II UCIs, SICARs and SIFs – CSSF.](#)

Malta

- ✓ The MFSA released a [circular](#) announcing the dates for the submission of the Registers of Information held by licensed entities in accordance with DORA.
- ✓ MFSA Launches [Framework for Collective Investment Schemes](#) Structured as Limited Partnerships without Separate Legal Personality.
- ✓ The Authority released a circular relating to a [2021 Common Supervisory Action on costs and fees of UCITS](#).
- ✓ A "Dear CEO" letter was addressed to the Management Body and Compliance Officers of CSP detailing the [Thematic Review on the Compliance Function of Company Service Providers](#).
- ✓ The authority issued a Circular Addressed to Persons Authorised to Provide Trustee Services and Other Fiduciary Services in terms of Article 43 of the Trusts and Trustees Act – [Regulatory Submissions](#).
- ✓ The Authority announced updates in respect to the [MiFID Quarterly Reporting](#) and Appendix 2B templates used by Investment Firms and Fund Managers. The updated template is required for future submissions.

Europe – Country updates

UK

- ✓ The FCA issued letter outlining [a new approach to ensure regulator and regulations support growth](#), which was addressed to the Prime Minister, Chancellor, and Secretary of State.
- ✓ The regulator issued two consultation papers ([CP25/2](#) and [CP25/3](#)) respectively addressing further changes to the public offers and admissions to trading regime and the UK Listing Rules and further proposals for firms operating public offer platforms.
- ✓ The FCA published an [Dear CEO letter](#) issued to the Asset Management and Alternatives industries setting out the regulator's areas of focus for 2025.
- ✓ The FCA published an [important update](#) focusing on valuation practices in the private markets sector.

Channel Islands – Guernsey

- ✓ The GFSC issued an amendment to the country list in Appendix I of the [AML/CFT/CPF Handbook](#).
- ✓ The GFSC issued two thematic reports on Client Money in the [Investment](#) and [Fiduciary](#) Sectors.
- ✓ A [consultation paper](#) proposing amendment to the Financial Crime Returns Rules (“the FC Returns Rules”) will make mandatory the filing of periodic returns for accountants, lawyers, and estate agents (“prescribed businesses”).
- ✓ A [Consultation Paper](#) on the Prospectus Rules has been published on rules related to the issuance of prospectuses in respect of Category 2 Controlled Investments as defined in the POI Law, and Collective Investment Schemes registered under Section 8 of the POI Law, and which are subject to the Registered Collective Investment Scheme Rules, 2021. Responses to the consultation paper are sought by March 3, 2025.

Channel Islands – Jersey

- ✓ The JFSC published [examination feedback](#) on politically exposed persons.
- ✓ A [consultation on enhancements to criminal background checks for principal and key persons](#) was launched. Feedback publication has been extended.
- ✓ The JFSC announced their themed supervision examination plans for 2025 which include [Conflicts of Interest](#), Outsourcing arrangements, and suspicious activity reporting. Thematic examination on suspicious activity reporting will take place in Q2 and Q3 2025.

Americas

USA

- ✓ The U.S. securities and Exchange Commission ("SEC") amended the [FAQs](#) related to clarification on the use of Net and Gross Performance in accordance with the Marketing Rule the Financial Crimes Enforcement Network ("FinCEN") issued an [interim final rule](#) that materially reduced the scope of the beneficial ownership information (BOI) reporting obligations under the Corporate Transparency Act. The revised rule limits the reporting obligation to "Foreign Reporting Companies".
- ✓ The SEC issued a [no-action letter](#) that effectively reduces the hurdles firms must meet when determining accredited investor status under Rule 506(c) of Regulation D.
- ✓ The SEC [announced](#) that the revised Form PF reporting requirements were delayed to June 12, 2025, from the original deadline. This change means that those firms who report quarterly will need to use the new form for the 2nd quarter 2025 filing while annual filers will now need to meet the updated requirements when filing in April 2026. The SEC has also updated the [FAQ's](#) related to Form PF in this regard.
- ✓ The SEC [announced](#) that a temporary exemption from compliance with Rule 13f-2 had been provided. The temporary exemption extended the requirement to disclose short-position data via Form SHO to February 17, 2026.
- ✓ The SEC [announced](#) that it had settled charges against two private fund managers for breaching their fiduciary duty. The managers (One Thousand & One Voices and Family Legacy Capital) were found to have charged certain expenses (including outsourced CFO services) to the funds without the proper disclosure. The owner of the firms was also found in violation.

Bermuda

- ✓ <https://www.apexgroup.com/insights/bermuda-regulatory-update-q1-2025>

Cayman Islands

- ✓ CIMA notified stakeholders of a change to the application form for the registration of Virtual Asset Service Providers ("VASPs") through the REEFS portal. Applicants that are not able to submit any in-progress applications by January 30, 2025 will need to use the new form [APP 101-84-05](#), for all future registration submissions.
- ✓ Starting April 1, 2025, Phase Two of the VASPs [legislative framework](#) will come into effect in the Cayman Islands. This brings additional obligations for all VASPs providing virtual asset custody and virtual asset trading platform services in or from the Cayman Islands, who now must obtain a license.

Americas

Cayman Islands

- ✓ CIMA and General Registry have implemented updated [government fees for select services](#), effective January 1, 2025.
- ✓ The Cayman Islands Financial Reporting Authority (“FRA”) published an Industry Advisory regarding [Defense Against Money Laundering \(DAML\) / Consent Regime](#) stating that amendments to the Proceeds of Crime (Amendment) Act, 2023 came into effect on January 2, 2025.
- ✓ The Beneficial Ownership Transparency (Legitimate Interest Access) Regulations, 2024 ([LIA Regulations](#)) will come into force on February 28, 2025. These LIA Regulations permit members of the public with a legitimate interest to access specific beneficial ownership information of legal persons, provided there is evidence linking the legal person to money laundering or terrorist financing.

Asia-Pacific

Australia

- ✓ [Family Law Regulations](#) were registered, with a commencement date of April 1, 2025. The Family Court of Australia has provided guidance on the changes on its website, including updated forms.
- ✓ [Legislation on Legacy Retirement Products](#) to facilitate the exiting of legacy retirement products (including legacy lifetime, life expectancy, and market-linked super income streams) was introduced in late 2024. This allows for the full commutation of these products during a five-year amnesty period (December 7, 2024, to December 6, 2029).
- ✓ The [Cyber Security Act 2024](#) was passed by Parliament in late 2024. The Act provides for the mandatory reporting of ransomware payments for entities with a turnover of \$3 million or more and those designated as critical infrastructure. In addition, entities may voluntarily report significant cyber security incidents to the National Cyber Security Coordinator.
- ✓ [Tranche 2 of the AML/CTF Regime](#) was passed by Parliament in late 2024. Tranche 2 will extend the AML/CTF regime to high-risk services including lawyers, accountants, real estate, and professional business providers and will apply from March 31, 2026. Changes impacting existing reporting entities will apply from July 1, 2026, except for the tipping off reforms which commenced March 31, 2025.

Asia-Pacific

Australia

- ✓ ASIC released [its report](#), 'Taking ownership of death benefits: How trustees can deliver outcomes Australians deserve' on its observations from a review of the death benefit claims handling practices of 10 superannuation trustees.
- ✓ ASIC has written to superannuation trustees urging them to strengthen anti-scam practices, or risk exposing members to harm. The [letter](#) contained observations of weak trustee practices. ASIC requested trustees assess their anti-scam and anti-fraud measures, including those of their administrators, to identify areas of improvement.
- ✓ ASIC issues the Regulatory Guide 280 Sustainability reporting ([RG 280](#)) provides guidance for entities that are required to prepare a sustainability report containing climate-related financial information under Chapter 2M of the Corporations Act 2001.

Hong Kong and China

- ✓ HK SFC outlined 12 initiatives to enhance the security, innovation and growth of the Virtual Asset market under a five-pillar "[ASPIRe roadmap](#)".
- ✓ The Standing Committee of the National People's Congress adopted the amended Anti-Money Laundering Law (the "[Amended AML Law](#)"). It will take effect on January 1, 2025 and replace the existing Anti-Money Laundering Law of 2006 (the "AML Law 2006").

Singapore

- ✓ MAS issued guidance to financial advisers on incorporating the [Basic Financial Planning Guide](#) into their financial advisory process.
- ✓ A consultation paper was issued seeking feedback on a proposed long-term investment fund ("LIF) framework that provides retail investors access to private market investment funds.

Dubai

- ✓ The DFSA shared a [SEO Letter](#) on its findings from the 2024 Whistleblowing Thematic Review.
- ✓ The DFSA shared a SEO letter to DFSA Authorised Firms on [Cyber incident notifications and Threat Intelligence](#) platforms information sharing, given the increase in cyber incident notifications.
- ✓ The DFSA published its [2025-2026 Business Plan](#), underscoring commitment to advancing regulatory excellence, driving innovation, and fostering sustainable growth within the DIFC.
- ✓ A Dear SEO letter to inform the public of the upcoming [Conflicts of Interest Thematic Review](#) was published.
- ✓ The DFSA published its thematic review on [Targeted Financial Sanctions Compliance in the Insurance sector](#). The review examined insurance and reinsurance firms, focusing on screening practices, governance and oversight, notifications, record keeping, training, and independent reviews.
- ✓ Proposed legislative changes were set out in [Consultation Paper No 163](#) after due consideration of consultee's comments.
- ✓ The DFSA proposed legislative changes which were set out in [Consultation Paper No 160](#), after due comments there have been amendments to the Rulebook which will come into force on January 1, 2026.
- ✓ The DFSA released notice of [Consultation Paper No 165 – Proposed Changes](#) to the DFSA's approach to licensed functions and Authorised Individuals. The deadline for providing comments on this Consultation Paper is May 5, 2025.
- ✓ The DFSA released [Consultation Pater No.164 - Capital Requirement for Operational Risk](#).
- ✓ The DFSA issued a [Feedback Statement](#) on the public comments received on [Consultation Paper No 160 \(CP160\)](#) -- Updates to the Client Assets Regime.
- ✓ The DFSA issued a Dear SEO letter on the "Updates to the Clients Assets Regime and Feedback Statement on CP160". The updated rules will come into force on January 1, 2025.
- ✓ The DFSA published a Decision Note against Al Ramz Capital LLC (Al Ramz), due to failings to report suspicious transactions.

MENA

Mauritius

- ✓ The Family Office scheme in Mauritius is regulated by the FSC and allows for the domiciliation of high-net-worth single and multi-family offices through two types of licenses: the Family Office (Single)(SFO) license and the Family Office (Multiple)(MFO) license. A brochure was issued by the FSC which can be accessed [here](#).
- ✓ The FSC issued the [Financial Services \(Framework for the Imposition of Administrative Penalties\) \(Amendment\)](#). These rules amend the original 2022 framework for imposing administrative penalties on financial service providers.
- ✓ [The Financial Crimes Commission \(Miscellaneous Provisions\) Act 2025](#), introduced by the Attorney-General aims to restore crucial powers to the Director of Public Prosecutions (DPP) in the fight against financial crime. The backdrop to this debate is the Financial Crimes Commission Act, enacted in 2023, which had transferred significant powers to the Financial Crimes Commission ("FCC").
- ✓ The FSC issued the [Disclosure and Reporting Guidelines for ESG Funds](#) under section 7(1)(a) of the Financial Services Act 2007 ("FSA"). These guidelines apply to authorised Collective Investment Schemes and Closed-end Funds which use or include ESG factors as their key investment focus and strategy ("ESG Schemes").
- ✓ Mauritius was ranked 58th globally in the [Global Financial Centres Index 37 \(GFCI 37\)](#). This marks another improvement from the previous ranking (60th), reflecting the country's ongoing commitment to enhancing its financial services sector.

South Africa

- ✓ The Financial Sector Conduct Authority ("FSCA") gave notice on February 14, 2025 under section 71(3)(c) of the Financial Markets Act, 2012 (Act No. 19 of 2012) that the amendments to the JSE Rules have been approved which can be accessed [here](#).
- ✓ The FSCA gave notice on February 14, 2025 under section 71(3)(b)(ii) of the Financial Markets Act, 2012 (Act No. 19 of 2012) that the [proposed amendments to the JSE Rules](#) have been published on the official website of the FSCA (www.fsca.co.za) for public comment.
- ✓ The [Draft Conduct Standard - Requirements for FIs providing Financial Education \("FE"\) initiatives](#) was issued by the FSCA.
- ✓ The FSCA released [Market Study on the Decentralised Finance \("DeFi"\)](#) activities on February 20, 2025 which revealed eFi are gaining traction in South Africa, with market participants expressing both optimism and caution about its future.
- ✓ The Johannesburg Stock Exchange ("JSE") has issued [Amendments to the JSE Listings Requirements](#) aiming to simplify the JSE Listings Requirements.

South Africa

- ✓ The [Sustainable Finance Survey Report for the Investments Sector](#) was released. The survey was conducted by the FSCA across investment providers to assess the investment sector's progress in integrating sustainable finance and ESG considerations into their strategies and practices.
- ✓ The FSCA [Complaints Management Industry Review Report 2025](#) was issued which presents the findings of research conducted by the FSCA to assess the complaints management practices of the certain financial institutions in South Africa.
- ✓ The FSCA has formally withdrawn [FSCA RF Notice 18 of 2024](#) which provided a general exemption, exempting retirement funds from the use of the S14 application forms.
- ✓ The Financial Intelligence Centre ("FIC") issued a [Guidance Note 7A](#) ("GN") which is effective February 13, 2025. The GN replaces Chapter 4 of Guidance Note 7. Chapter 4 has been amended to provide further guidance to boards of directors, senior management or other person or group of persons exercising the highest level of authority in an accountable institution, who must approve the Risk Management and Compliance Programme ("RCMP"), of their accountable institution.
- ✓ The FIC published [Directive 3A](#) and [PCC 50A](#). Directive 3A provides for the process to be followed should a reporting failure occur or if defective reports are submitted. PCC 50A is to be read with Directive 3A and expands on measures to mitigate the loss of intelligence data which occurs due to reporting failures and provides guidance on mitigating defective reports.
- ✓ The Department of Home Affairs has on March 24, 2025, issued a [Draft 14th amendment of the Regulations made under the Identification Act, 1997](#) which announced the rollout of a comprehensive upgrade to the digital verification system that sits at the heart of national security as well as both public and private sector services in South Africa.
- ✓ The FIC published the [draft PCC 118A for consultation](#) which is in relation to guidance on the interpretation of item 19 of Schedule 1 to the Financial Intelligence Centre Act (FIC Act) regarding accountable institutions (money or value transfer service providers).
- ✓ [The Companies Amendment Act 16 of 2024](#), and the [Companies Second Amendment Act 17 of 2024](#) came into effect on February 6, 2025. These amendments introduce several significant changes affecting corporate governance, financial assistance, and director liabilities.
- ✓ The Information Regulator has invited all public and private bodies to [submit their Annual Reports for the year 2024-2025 on access to information requests received and processed](#). The submission period will be opened on April 1, 2025, and close on June 30, 2025.

International

- ✓ The Financial Action Task Force (“FATF”) published their [Annual Report 2023-2024](#) which outlines work by the FATF to prevent the abuse of the international financial system and strengthen foundations for sustainable and more inclusive economic development.
- ✓ The FATF Plenary the FATF added Lao People’s Democratic Republic and Nepal to the list of jurisdictions subject to increased monitoring and removed the Philippines.
- ✓ Following the Plenary, changes to recommendation 1 and related interpretive notes were made, aimed to better [promote financial inclusion](#) through increased focus on proportionality and simplified measures under the risk-based approach.
- ✓ FATF issued [a public consultation on complex proliferation financing and sanctions evasion schemes](#), aimed at improving country and private sector understanding of proliferation financing risks.
- ✓ A second [public consultation](#) on revisions to Recommendation 16 to adapt to the changes in payment business models and messaging standards.
- ✓ IOSCO Issues [Statement of Support](#) on the IESBA’s International Ethics Standards for Sustainability Assurance
- ✓ IOSCO publishes new [Consultation Report](#) on Artificial Intelligence in Capital Markets: Use Cases, Risks, and Challenges. The report identifies five key findings following engagement with IOSCO members and stakeholders and invites further feedback.
- ✓ IOSCO launches new alerts portal to help combat retail investment fraud [The International Securities & Commodities Alerts Network \(I-SCAN\)](#) is a unique global system to warn investors of suspicious company activity.



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