



Global regulatory update Q2 and Q3 2025

2025 has brought significant changes in global financial regulation as governments and regulatory bodies respond to shifting market conditions, technological advances, and emerging risks. This update highlights the key regulatory changes and trends shaping the financial landscape this year.

Europe

Malta

- The Malta Financial Services Authority (“MFSA”) released a [Circular on the Requirements Pertaining to the Reporting Requirements Emanating from IFR](#), which announced the European Banking Authority’s (“EBA”) deployment of version 4.0 of the Investment Firm Regulation (“IFR”) reporting framework, introducing minor template changes and updated instructions for Class 2 investment firms, urging use of updated templates and adherence to disclosure requirements, including risk management and governance.
- The MFSA issued a [circular](#) referencing the European Securities and Markets Authority’s (“ESMA”) list of third-country regulated markets considered equivalent under European Market Infrastructure Regulation (“EMIR”), guiding firms on compliance expectations.
- A [Circular on various aspects concerning the Submission of Financial Documentation through the LH Portal by Fund Managers, Collective Investment Schemes and Recognized Persons](#) was issued, highlighting correct naming conventions and filing practices for fund managers and recognised persons, including the use of a specific file naming for unlisted returns.
- The [MFSA](#) highlighted common issues in EMIR reporting, such as misreported entity identifiers and reporting responsibility allocation, urging license holders to follow Article 9 of EMIR and notify the ESMA of errors.
- The MFSA introduced new [Company Service Providers Act amendments](#) including authorisations, Limited Company Service Provider (“CSP”) and notification requirements for Restricted CSPs, alongside updates to fee structures and rulebooks, impacting directors and company secretaries in legal entities.
- The MFSA issued a [Dear CEO letter](#) underscoring the integration of Environmental, Social, and Governance (“ESG”) factors into advisory services, enhanced disclosures, client suitability assessments for sustainability preferences, and strict regulatory compliance under the Markets in Financial Instruments Directive II (“MiFID II”). A follow-up press release called for clearer and more transparent sustainable finance advice.
- The MFSA mandated participation in an ESMA-led [survey](#) on AI adoption, governance, and risks, covering investment firms and fund managers, with a submission deadline of August 29, 2025 to support EU-wide benchmarking.
- A [Dear CEO letter](#) related to Market Abuse Regulation findings was issued to investment services providers, identifying weaknesses in surveillance tools, Suspicious Transaction or Order Report (“STOR”) reporting, staff training, and governance, and urged firms to enhance controls, conduct gap analyses, and prepare for intensified supervision.

- The MFSA announced updates to MiFID Firms Quarterly Reporting, Fund Managers Appendix 2B, and Annual Fund Return templates effective from mid-2025 submissions, requiring entities to transition to [revised forms](#).

UK

- The Financial Conduct Authority (“FCA”) is proposing reforms to its regime for alternative asset managers to make it easier for firms to enter the market, grow, compete, and innovate. A more streamlined and proportionate regime will make it easier for firms to operate globally, while encouraging effective risk management. A [call for input](#) was published in April.
- The regulator was seeking views from firms about how its live AI testing service can help deploy safe and responsible AI (see [Engagement Paper: Proposal for AI Live Testing | FCA](#)). The FCA seeks feedback on regulation of crypto asset trading platforms in the next phase on the road to regulation (see [DP25/1: Regulating crypto asset activities](#)).
- The FCA has published proposals for issuing stablecoins, crypto custody, and financial resilience of crypto asset firms, to support a safe, competitive sector (see [CP25/14: Stablecoin issuance and cryptoasset custody](#) and [CP25/15: A prudential regime for cryptoasset firms](#)).
- The FCA urges people to be cautious when being encouraged to invest in high-risk schemes offered by unregulated firms without appreciating the risks involved (see [Beware of high-risk investments from unregulated firms | FCA](#)).
- The FCA published an updated version of the [Enforcement Guide](#).
- The FCA issued a [statement](#) on market reforms and what's to come.
- A [statement](#) issued by the Investment Association, Personal Investment Management & Financial Advice Association, and the Alternative Investment Management Association supporting the faster settlement of trades in funds was welcomed by the FCA. The settlement period for transactions in listed stocks and bonds in the UK, Switzerland, and the EU will change to [T+1](#) from October 11, 2027.

Channel Islands – Guernsey

- The Guernsey Financial Services Commission (“GFSC”) announced the release of its new online Applications and Authorisations [Portal](#), which will streamline the applications and authorisations process through a secure, online platform, making it significantly easier for people to start financial services businesses in the Bailiwick.
- In response to industry feedback, the GFSC made minor amendments to the guidance on pooled accounts in Chapter 9 of the Handbook on Countering Financial Crime (AML/CFT/CPF) (the “Handbook”). The clean and tracked version of the Handbook (including Appendix I) can be accessed via the [Handbook page](#).
- Following a consultation, the GFSC published amendments to the Financial Crime Returns Rules (“the FC Returns Rules”) which makes mandatory the filing of periodic returns for accountants, lawyers, and estate agents (prescribed businesses), ending the disparity with other sectors where such filings are mandatory. The legislation can be found on the GFSC’s [legislation and guidance page](#) or through this [link](#).
- The GFSC announced the more streamlined and simplified Private Investment Fund regime, creating an innovative, marketable, and flexible fund structure for a wide spectrum of private capital investment strategies. More information can be viewed here: [Private Investment Fund — GFSC](#).

- The GFSC has amended the public Guidance on Private Trust Companies (“PTCs”) reflecting a revised position that PTCs fall within scope of The Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020 (“the Law”) and should either apply for a licence under Section 6 of the Law or permission granted under section 3(1)(ac) of the Law. This change follows a review of PTCs undertaken by the GFSC last year and aligns the guidance with current practice (see [GFSC guidance for Private Trust Companies](#)).
- The GFSC announced the launch of its Digital Finance Initiative (“DFI”), a programme to support the positioning of the Bailiwick of Guernsey as a trusted, agile, and forward-thinking jurisdiction for digital financial innovation. The DFI will also see the GFSC reviewing opportunities to enhance the guidance within the Handbook on Countering Financial Crime, with a focus on supporting firms using technology effectively to combat financial crime efficiently (see [Digital Finance Initiative](#)).
- The GFSC issued two thematic reports on conflicts of interest in both the Investment and Fiduciary sectors. The Commission found that, in general, firms appropriately identify, manage, and record conflicts of interest that arise during the course of doing business, using a combination of policies, procedures, and periodic training. The Commission was encouraged to see examples of firms recording the specific controls that had been implemented to manage each conflict (see [COI Thematic](#)).

Channel Islands – Jersey

- The Jersey Financial Services Commission (“JFSC”) has published a consultation proposing changes to its Alternative Investment Funds (“AIF”) Code of Practice (see [Submit your feedback: consultation on changes to our AIF Code of Practice — Jersey Financial Services Commission](#)).
- The updated [Jersey Private Fund Guide](#) went live on August 6, 2025.
- The JFSC published its [Guidance on requirements to prove legitimate search of the Obligated Entity Beneficial Owner Register](#).
- Following a thematic assessment in 2024 to evaluate the extent to which supervised persons were assessing their adherence to legislative and regulatory requirements and the effectiveness of their controls, the JFSC has issued [bite-sized feedback](#) for investment businesses on the suitability of its advice.
- Feedback from the JFSC on the [Compliance function: Key Persons regime](#) green paper was issued.
- The Government of Jersey published its first [Proliferation Financing National Risk Assessment](#).
- The JFSC issued a [consultation paper](#) aimed at strengthening Jersey’s existing framework for collecting beneficial ownership data, in line with international standards and evolving best practices.
- A [consultation](#) paper on the proposed enhancements to the AML/CFT/CPF Handbook was issued.
- A feedback paper setting out the key findings from the financial crime examinations conducted from Q4 2023 to the end of 2024 was published by the JFSC.

Luxembourg (financial crime related only)

- On May 26, 2025, the Luxembourg Ministry of Justice issued its update of the Luxembourg National Risk Assessment of money laundering and terrorist financing [NRA 2025](#). This paper documents the money-laundering risk on a national level, as at end 2023. The paper is the result of a joint effort of various actors from the public and private sector that compose the National Prevention Committee on money laundering and terrorist financing.

- On June 17, 2025, the Commission de Surveillance du Secteur Financier (“CSSF”) amended the annex to its [Circular CSSF 22/822 – CSSF](#) – the Financial Action Task Force (“FATF”) updating the list of high-risk jurisdictions and jurisdictions under increased monitoring by the FATF.
- On July 8, 2025, the FATF published an update on terrorist financing. The [FATF report highlights evolving terrorist financing risks and warns of gaps in global understanding of the threats](#), highlighting the evolving nature of these risks and warning of significant gaps in the global understanding of the threats.
- On July 28, 2025, Luxembourg’s Registration Duties, Estates and VAT authority (Administration de l’enregistrement, des domaines et de la TVA – “AED”) issued a new [Circulaire N°792ter du 28 juillet 2025 — Portail de la fiscalité indirecte - Luxembourg](#) (only available in French) concerning the obligation to identify and verify the identity of clients who are natural persons.
- On August 18, 2025, the CSSF published [Circular CSSF 25/896](#) adopting the EBA guidelines on internal policies, procedures, and controls to ensure the implementation of EU and national restrictive measures (sanctions).

Americas

USA

<https://www.apexgroup.com/insights/united-states-regulatory-updates-q3-2025/>

Bermuda

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

<https://www.apexgroup.com/insights/bermuda-regulatory-update-q2-2025/>

<https://www.apexgroup.com/insights/bermuda-regulatory-updates-q3-2025/>

Cayman Islands

<https://www.apexgroup.com/insights/cayman-regulatory-update-q1-2024/>

<https://www.apexgroup.com/insights/cayman-regulatory-update-cima-inspection-findings-on-registered-persons-under-siba/>

Asia-Pacific

Australia

- From July 1, 2025, the superannuation guarantee rate will increase to 12%, alongside adjustments to co-contribution income thresholds, contribution caps, transfer balance caps, and tax limits for small business owners. Relevant details are available on the [ATO website](#).
- [ASIC’s Corporations and Credit Amendment Instrument 2025/289](#) expands exemptions on reportable misleading conduct, extends investigation reporting timelines from 30 to 60 days, and clarifies reporting requirements for entities reporting breaches to the Australian Prudential Regulation Authority (“APRA”) and Australian Securities and Investments Commission (“ASIC”).

- The APRA released [updated reporting standards](#) (due December 2025), and the Australian Financial Complaints Authority (“AFCA”) updated complaint [approach documents](#) for superannuation matters, and both the Australian Transaction Reports and Analysis Centre (“AUSTRAC”) and ASIC announced industry funding levies for 2024/25. The AUSTRAC also initiated a second consultation round on [AML/CTF Rules Tranche 2 reforms](#) with implementation deadlines in 2026.
- The APRA highlighted enhanced information security for super trustees after recent cyberattacks, and ASIC issued warnings to social media financial influencers for unlawful promotions, updated regulatory guides for Australian Financial Services (“AFS”) licensees, and opened consultations on employee redundancy fund licensing post-2026 Australian Financial Services License (“AFSL”) relief expiry.
- The Australian Tax Office (“ATO”) released updated contribution standards effective July 2026.

Hong Kong

- [Regulatory guidance](#) was issued to licensed virtual asset trading platforms on their provision of staking services, and to the Securities and Futures Commission (“SFC”) authorised funds with exposure to virtual assets (VA Funds) on their engagement in staking.
- The SFC and the Hong Kong Monetary Authority (“HKMA”) issued a [joint consultation](#) on the annual update to the list of Financial Services Providers (“FSP”) under the OTC derivatives clearing regime.
- The SFC and the Financial Services Regulatory Authority of the Abu Dhabi Global Market (“ADGM”) have entered into a [Memorandum of Understanding \(MoU\)](#) to enhance cooperation on supervision of investment managers of collective investment schemes based in either market.
- The SFC welcomes [IOSCO’s statement](#) on combatting online scams, calling on online platform providers to promptly remove fraudulent content and implement robust anti-scam measures, including user verification and pre-vetting mechanisms.
- The [SFC](#) joined global regulatory efforts to curb activities of unauthorised finfluencers, who are putting millions of social media users at risk by touting financial products or services illegally.
- A [consultation](#) aimed at restricting unregulated entities from improperly adopting names that may give the public a false impression that they are regulated entities was published.
- The Financial Services and the Treasury Bureau, and the SFC launched a joint consultation to introduce regulatory regimes for [virtual asset \(VA\) dealing](#) and [custodian service providers](#).

Singapore

- The Monetary Authority of Singapore (“MAS”) issued a [Circular](#) on the governance and management of variable capital companies (“VCCs”). The Circular follows MAS’ thematic review conducted in 2024 and outlines key observations, supervisory expectations, and good practices for VCC managers.
- The MAS revised the [AML/CFT framework](#) for capital market intermediaries and variable capital companies to include proliferation financing within the scope of money-laundering risk, in line with the Financial Services and Markets Act 2022 and the Financial Services and Markets Regulations.
- The MAS issued a [consultation paper](#) on proposed revisions to the Financial Advisers Regulations (“FAR”) and the Securities and Futures (Licensing and Conduct of Business) Regulations (“SF(LCB)R”).
- The MAS revised its guidelines on [Fit and Proper Criteria](#) [FSG-G01], which apply to all relevant persons carrying out any activity regulated by MAS.

MENA

Mauritius

- The Financial Services Commission (“FSC”) continued to refine its supervisory approach under the Virtual Asset and Initial Token Offering Services Act (“VAITOSA”), including licensing and ongoing compliance for Virtual Asset Service Providers and enhanced disclosure and risk management requirements, which will be effective July 1, 2026.
- Regulatory Sandbox Expansion: the Economic Development Board (“EDB”) and FSC expanded the fintech regulatory sandbox to accommodate AI-driven financial solutions and blockchain-based platforms.
- The FSC Communiqué on the Global Green Finance Index (“GGFI”) 15 was released. On April 25, 2025, the FSC announced Mauritius’ improved ranking by 10 places in the latest edition of the GGFI 15. The ranking boost reflects Mauritius’ effort to position itself as a trusted centre for green finance in the region. The communiqué can be accessed here:
https://www.fscmauritius.org/media/199653/communiqu%C3%A9_ggfi-15-3_cc_25apr25.pdf

FSC circular letter on the obligations of licensees under sections 23 and 24 of the Financial Services Act 2007:

The FSC observed a noticeable increase regarding cases where licensees are acting in breach of sections 23 and 24 of the Financial Services Act and similar provisions in the Virtual Asset and Initial Token Offering Services Act 2021 and Insurance Act 2005 by not seeking the approval of the FSC prior to:

- a) proceeding with issuance or transfer of shares or beneficial interest of more than 5%;
- b) proceeding with issuance or transfer of shares of less than 5% where same is resulting in a change in control in the licensees; or
- c) appointing officers. The circular letter dated May 20, 2025, can be accessed here:
<https://www.fscmauritius.org/media/199696/circular-letter-final.pdf>

Revocation of the Financial Services (Consolidated Licensing and Fees) (Amendment) Rules 2024 and Amendments to the Financial Services (Consolidated Licensing and Fees) Rules 2025

On June 16, 2025, the FSC revoked the Financial Services (Consolidated Licensing and Fees) (Amendment) Rules 2024 and issued the Financial Services (Consolidated Licensing and Fees) (Amendment) Rules 2025. These amendments introduced revised licensing conditions and an updated fee structure, which is effective as of July 1, 2025.

Previously, a Global Business Licence or Authorisation Licence would lapse if the annual fee and related charges were not paid within 15 days of the due date. This period has now been extended to six months. Additionally, the timeframe for submitting a reinstatement application has been increased from three months to six months following the lapse of the licence.

The updated Financial Services (Consolidated Licensing and Fees) Rules 2025 can be accessed here:
<https://www.fscmauritius.org/media/201631/financial-services-consolidated-licensing-andfees-rules-2008-as-at-010725.pdf>

Financial Services (Framework for the Imposition of Administrative Penalties) Rules 2025

On June 20, 2025, the FSC amended the Financial Services (Framework for the Imposition of Administrative Penalties) Rules 2025. The discounts that are applicable on administrative penalties have been revised.

It has now also been specified that there shall be no settlement discussion where a matter has previously been settled by the Settlement Committee of the FSC pertaining to breaches of a similar nature, unless the FSC determines otherwise upon taking into account such factors that are deemed relevant by the FSC.

The updated Rules, which are effective as of July 1, 2025, can be accessed here:

<https://www.fscmauritius.org/media/201644/fs-framework-for-imp-of-aps-rules-2022.pdf>

eBrochure on ESG Funds in Mauritius issued by the FSC:

On July 2, 2025, the FSC issued an eBrochure on ESG Funds in Mauritius further to the ESG Guidelines issued earlier this year. The ESG Guidelines apply to Collective Investment Schemes ("CIS") and closed-end funds that adopt ESG factors into their investment approach, and to funds continued into Mauritius from overseas jurisdictions that integrate ESG criteria into their investment approach. The eBrochure, dated 2 July 2025, can be accessed here:

https://www.fscmauritius.org/media/201646/fsf_brochure_esg_final.pdf

Guidelines on legal persons issued by the Financial Crime Commission ("FCC"):

The FCC issued a guideline on legal persons pursuant to section 52(2) of the Financial Crimes Commission Act 2023 ("FCCA"). This guideline is intended to guide legal persons in putting up adequate procedures which are reasonably necessary to prevent it or any person acting on its behalf from committing an offence under the FCCA. The guideline, dated July 14, 2025, can be accessed here: <https://fcc.mu/guidelines-on-legal-persons-issued-by-the-fcc/>.

FSC issued guidance notes on responsible use of AI in financial services

On September 19, 2025, the FSC released a communiqué on the issue of the fintech series Guidance Notes 4 outlining the responsible application of AI in the financial services sector. The document is intended to assist FSC licensees in understanding and implementing responsible AI practices. The FSC communiqué and Guidance Notes, effective as of September 19, 2025, can be accessed here:

[communique-guidance-notes-on-the-responsible-use-of-ai-in-financial-services.pdf](https://www.fscmauritius.org/media/206401/guidelines-on-responsible-use-of-ai.pdf)
<https://www.fscmauritius.org/media/206401/guidelines-on-responsible-use-of-ai.pdf>

South Africa

- The Financial Sector Conduct Authority (“FSCA”) has published the following documents for public consultation:
 - Draft FSCA Conduct Standard [–] of 2025 (FM) – Requirements relating to securities financing transactions;
 - Statement of Need and Impact of the Conduct Standard – Requirements relating to securities financing transactions; and
 - Comments template for the Conduct Standard – Requirements relating to securities financing transactions.
- Joint Communication 3 of 2025: This communication determines the notification template required under Joint Standard 1 of 2023 (IT Governance and Risk Management) and Joint Standard 2 of 2024 (Cybersecurity and Cyber Resilience Requirements for Financial Institutions). The template aims to standardise reporting and compliance procedures for financial institutions in these critical areas.
- The FSCA published its 2025 Regulation Plan.
- The FSCA published its Regulatory Actions Report for 2024/25 outlining enforcement activities undertaken between April 1, 2024 and March 31, 2025. It also set out the Authority’s forward-looking priorities, informed by prevailing trends and emerging risks. The report advances the FSCA’s strategic objective of upholding confidence and integrity in the financial sector.
- The FSCA and International Finance Corporation (“IFC”) announced a partnership to improve sustainability reporting in South Africa. The joint communication was published and advises financial institutions to adopt strong governance and risk management for cloud computing and data offshoring, with boards and senior management playing a key oversight role.