



Global regulatory update Q4 2025

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During the last quarter of 2025, global financial regulation underwent substantial shifts as governments and regulatory authorities responded to evolving market dynamics, technological progress, and newly emerging risks.

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

Europe

EU	
December 19, 2025	The European Commission welcomed the political agreement between the European Parliament and the European Member States on the Retail Investment Strategy which will empower retail investors to make informed decisions that match their individual needs and preferences while ensuring that they are treated fairly and offered products that provide value for money [Commission welcomes agreement on the Retail investment Strategy].
December 4, 2025	Commission Delegated Regulation amending Delegated Regulation (EU) 2016/1675 to add Bolivia and the British Virgin Islands to the list of high-risk third countries that have provided a written high-level political commitment to address the identified deficiencies and have developed an action plan with the Financial Action Task Force ("FATF"), and to remove Burkina Faso, Mali, Mozambique, Nigeria, South Africa, and Tanzania from that list .
December 3, 2025	The European Commission has listed Russia as a high-risk country with strategic deficiencies in its anti-money laundering ("AML") and counter-terrorist financing frameworks - through a Commission Delegated Regulation amending Delegated Regulation (EU) 2016/1675.
November 20, 2025	The European Commission has launched a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"), Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products ("PRIIPs") and repealing Commission Delegated Regulation (EU) 2022/1288.
November 17, 2025	Commission Delegated Regulation supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the characteristics of liquidity management tools.

November 6, 2025	Targeted consultation on the application of the market risk prudential framework. The consultation ran until January 6, 2026.
October 30, 2025	Commission Implementing Decision on the equivalence of the legal and supervisory framework applicable to benchmarks in New Zealand in accordance with Regulation (EU) 2016/1011.
October 14, 2025	<p>T+1 settlement cycle regulation – Publication in the Official Journal of the European Union Regulation (EU) 2025/2075. This new Regulation shortens the settlement cycle for EU securities transactions by amending Regulation (EU) No 909/2014.</p> <p>The new rules require that most transactions in transferable securities executed on trading venues be settled no later than one business day after the trade date (T+1), replacing the current T+2 cycle. Certain securities financing transactions, such as repos and securities lending, are exempt when properly documented as single transactions composed of two linked operations. The Regulation will apply from October 11, 2027.</p>
September 30, 2025	The European Commission announced two major initiatives to advance the savings and investment union and deliver tangible benefits to all EU citizens. The package focused on improving financial literacy for all and at all life stages and introduces a blueprint for savings and investment accounts – a tool aimed at making investing simpler and more accessible for everyone [EU to boost financial literacy and investment opportunities for citizens - Finance].
ESMA	
December 19, 2025	The European Securities and Markets Authority (“ESMA”) has published/updated the Q&As relating to the Alternative Investment Fund Managers Directive (“AIFMD”), ESG Rating Activities Regulation, Market Abuse Regulation, Markets in Crypto-Assets Regulation, Prospectus Regulation and Undertakings for Collective Investment in Transferable Securities (“UCITS”) Directive.
December 17, 2025	ESMA reviews the impact of guidelines on ESG or sustainability related terms in fund names.
December 15, 2025	The European Supervisory Authorities (“ESAs”) publish key tips to help consumers detect, prevent, and act on online frauds and scams.
December 15, 2025	ESMA finalises technical standards on derivatives transparency and the OTC derivatives tape. The report has been submitted to the European Commission, which will have three months to decide whether to endorse the proposed RTS. The new rules are expected to start applying on March 1, 2027.

October 21, 2025	ESMA publishes implementing rules on loan-originating AIFs . The draft rules determine the requirements with which loan- origination Alternative Investment Funds (“AIFs”) must comply to maintain an open-ended structure. Those requirements include a sound liquidity management system and the availability of liquid assets and stress testing, as well as an appropriate redemption policy with regard to the liquidity profile of open-ended loan origination AIFs.
Luxembourg	
December 29, 2025	Communication to undertakings for collective investment and investment fund managers in the context of the amended benchmark regulation.
December 23, 2025	Publication of Circular CSSF 25/903 amending Circular CSSF 24/850 on the practical rules concerning the descriptive report and the self-assessment questionnaire to be submitted on an annual basis by support professionals of the financial sector (“PFS”), as well as the engagement of the réviseurs d’entreprises agréés of support PFS and practical rules concerning the management letter and the separate report to be drawn up on an annual basis.
December 19, 2025	Compilation of key concepts and terms used in the field of investment funds other than UCITS and money market funds (“MMFs”) and explanations on how the Commission de Surveillance du Secteur Financier (“CSSF”) defines and understands them.
December 19, 2025	Investment funds: publication of Circular CSSF 25/901 and the compilation of key concepts and terms used.
December 17, 2025	General information in relation to the annual review of PRIIP-key information documents (“KIDs”) for UCITS. The CSSF outlined the key features of disclosures to investors and clarified certain aspects. For example, the secondary investment policy should not exceed the scope of the main investment policy, and information that is not essential should be included in prospectuses instead. Although UCITS are not bound by a specific timeline, the CSSF recommends that the update is triggered at the end of each calendar year, consistent with the approach taken for UCITS Key Investor Information Documents (“KIIDs”) in the past. Therefore, the updates are due within 35 business days after December 31.
December 16, 2025	Reform of Circular CSSF 22/811 through Circular CSSF 25/900 – Changes relating to the annual reporting to be submitted by Undertakings for Collective Investment (“UCI”) administrators.

December 9, 2025	CSSF Communication on the publication of Q&A CNC 25/036 – interpretation of Article 1711-98(3), point (3) of the Law of August 10, 1915 on commercial companies in the specific case of companies operating in the alternative investment sector.
October 1, 2025	2025 Questionnaire on Financial Crime.
November 17, 2025	Publication of the results of the thematic review concerning measures implemented by Luxembourg investment fund managers to combat the proliferation financing risk.
November 17, 2025	The CSSF published a report on the investment fund managers’ (“IFMs”) potential exposure to risks related to the financing of the proliferation of weapons of mass destruction on the asset side of the balance sheet, primarily focused on dual-use goods and investments in vessels, shipping, or other means of transportation.
October 3, 2025	The Luxembourg Parliament published Draft Bill Number 8628 , to transpose the latest amendments to the AIFMD and UCITS Directive into national law. This introduces predefined liquidity management tools and amends the delegation rules. It also brings clarity on location of the depositary function which should be in the same jurisdiction as the UCITS or AIF. AIFMD II introduces a loan-originating passport. The implementation deadline is April 16, 2026.
Malta	
December 3, 2025	Consultation on amendments to the Investor Compensation Scheme Regulations issued under the Investment Services Act.
November 14, 2025	The Malta Financial Services Authority (“MFSA”) publishes consultation document on the proposed review of Part BIV for the Investment Services Rules for Investment Services providers applicable to licence holders which qualify as depositaries. The consultation ran until December 23, 2025.
October 23, 2025	MFSA publishes consultation document on the General Code of Conduct for Decision Makers in the Financial Services Industry. The Consultation ran until November 13, 2025.
October 20, 2025	MFSA publishes consultation document on the transposition and implementation of AIFMD II and UCITS VI. The Consultation ran until December 12, 2025.
United Kingdom	

December 16, 2025	The Financial Conduct Authority (“FCA”) seeks feedback on whether tailored market risk rules for non-bank trading firms could remove unnecessary barriers, free up capital, and attract new market participants, therefore supporting economic growth. The consultation exercise runs until February 10, 2026. Feedback with a more detailed consultation paper will be provided during 2026 followed by a policy statement expected in 2027.
December 16, 2025	FCA seeks feedback on proposals for UK crypto rules. Consultation responses are open until February 12, 2026.
December 16, 2025	FCA confirms final guidance to tackle serious non-financial misconduct in financial services [PS25/23]
December 10, 2025	Stablecoin payments are a priority for 2026 as FCA outlines growth achievements.
December 8, 2025	FCA sets out landmark package to boost UK investment culture, empower retail investment, reinforce wholesale markets and maintain the UK’s position as a world-leading financial centre.
December 5, 2025	FCA consults on reducing late fees for regulatory returns.
December 3, 2025	FCA helps firms to test AI safely to understand the potential benefits and risks.
October 28, 2025	FCA seeks views on new short selling regime. The consultation ran until December 16, 2025. FCA aims at publishing the policy statement, final rules, statement of policy and draft of reportable shares list by April 2026.
October 27, 2025	FCA welcomes legislation to bring ESG ratings providers into regulation.
October 14, 2025	FCA supports tokenisation to boost efficiency and innovation in asset management. The consultation ran until December 12, 2025. Policy statement expected during the first half of 2026.
Channel Islands – Guernsey	
December 15, 2025	Publication of the thematic review on correspondent and intermediary relationships in the investment sector.
December 11, 2025	Launch of Digital Finance Consultation paper setting out measures to support the adoption of digital finance across the Bailiwick’s financial services sectors. The Consultation runs until March 6, 2026.
December 9, 2025	Feedback statement on anti-greenwashing guidance and Code of Corporate Governance Update.
December 2, 2025	Publication of revised fees for 2026 with effect from January 1, 2026.

October 28, 2025	Publication of revised Appendix I of the AML/CFT/CPF Handbook - effective immediately.
October 15, 2025	Launch of new limited POI Licence making it easier for fiduciary firms to administer Family Private Investment Funds.
October 9, 2025	Commission launches Innovation Sandbox with Concierge Support, a new initiative designed to support innovation in finance.
Channel Islands - Jersey	
December 8, 2025	Consultation on updates to the guidelines on interpretation of Article 36 of the Proceeds of Crime (Jersey) Law 1999. The consultation ran until January 30, 2026.
November 28, 2025	Jersey Financial Services Commission ("JFSC") publishes feedback from the thematic review on conflicts of interest.
November 27, 2025	JFSC publishes feedback and follow-on consultation on the AML/CFT/CPF Handbook and enhancements on complex structures . The follow-on consultation runs until February 12, 2026.
November 14, 2025	Updated travel rule guidance for virtual asset service providers.
October 23, 2025	JFSC publishes feedback on the Q3 2025 registry supervision inspection programme.
October 23, 2025	New Sound Business Policy effective November 1, 2025. This policy strengthens Jersey's position as leading international finance hub, making it easier to do business through effective regulation.
October 9, 2025	JFSC publishes feedback statement on disclosable beneficial ownership information.
October 6, 2025	Publication of updated AMLSP application guidance .
October 2, 2025	Consultation on changes to the AIF Code of Practice. The consultation ran until November 30, 2025.

Americas

US	
December 16, 2025	The SEC's Division of Examinations released a Risk Alert summarising staff observations about investment advisers' compliance with the Marketing Rule under the Investment Advisers Act of 1940. The Risk Alert highlights common deficiencies observed by exam staff related to the Marketing Rule's provisions on testimonials and endorsements and third-party ratings.
December 11, 2025	President Trump issued an executive order Protecting American Investors from Foreign-Owned and Politically-Motivated Proxy Advisors – The White House , which directs the Securities and Exchange Commission ("SEC") Chair to review and potentially revise or rescind SEC rules that may conflict with the order's objectives, with a particular focus on proxy advisory firm recommendations related to diversity, equity, and inclusion ("DEI") and ESG issues.
November 17, 2025	The SEC announced that, for the proxy season running from October 1, 2025 through September 30, 2026, the Division of Corporation Finance will not respond to most no-action requests seeking assurance that the SEC will not recommend enforcement action if a company excludes a shareholder proposal from its proxy statement.
November 17, 2025	The Securities and Exchange Commission announced charges against purported investment advisers Bluesky Eagle Capital Management Ltd., Supreme Power Capital Management Ltd. ("Supreme Power"), AI Financial Education Foundation Ltd., AI Investment Education Foundation Ltd., Invesco Alpha Inc. , and Adamant Stone Limited, for making material misrepresentations and unsubstantiated statements in forms filed with the SEC regarding their organisations, office locations, assets under management, and clients.
Bermuda	
	Bermuda regulatory update
Cayman Islands	
	Cayman regulatory update

MENA

Dubai and Abu Dhabi	
	Dubai and Abu Dhabi regulatory update
Mauritius	
November 18, 2025	The Financial Intelligence and Anti-Money Laundering (Administrative Penalties) Regulations 2025 (the “Regulations”) introduced a formal administrative penalty regime by allowing regulatory bodies listed in Part I of First Schedule of FIAMLA (like the Mauritius Institute of Professional Accountants) to impose administrative financial penalties on its members or licensees for non-compliance with FIAMLA obligations specified in the First Schedule of the Regulations.
October 4, 2025	The Financial Crimes Commission (“FCC”) has signed a Memorandum of Understanding (“MoU”) with the Basel Institute on Governance. The MoU reinforces Mauritius’ commitment to international cooperation in the fight against financial crimes and asset recovery.
South Africa	
November 24, 2025	The Financial Sector Conduct Authority (“FSCA”) and the Prudential Authority released a report on Artificial Intelligence in South Africa’s financial sector. This report provides the first comprehensive overview of AI adoption, including machine learning and generative AI within South Africa’s financial institutions.
October 24, 2025	The FSCA and the South African Revenue Service welcomed the decision of the FATF to delist South Africa from the grey list noting strengthened anti-money laundering/countering the financing of terrorism (“AML/CFT”) frameworks and the need for ongoing supervision.

International

FATF	
October 24, 2025	FATF released a list of jurisdictions under increased monitoring and high-risk jurisdictions subject to a call for action.
IOSCO	

November 17, 2025	The International Organization of Securities Commissions (“IOSCO”) published consultation report on valuing collective investment schemes.
November 12, 2025	IOSCO published Final Report on Neo-Brokers.
November 11, 2025	IOSCO published Final Report on Financial Asset Tokenisation.
November 4, 2025	IOSCO published Final Report on the Single-Name Credit Default Swaps Market.
October 16, 2025	IOSCO reviewed implementation of recommendations for Crypto and Digital Asset Markets.

What’s coming up during Q1 2026?

European Union	January 1, 2026	Revised Benchmarks Regulation comes into force together with designation of benchmarks as significant
Guernsey	January 1, 2026	Coming into force of revised fees
Jersey	January 1, 2026	Coming into force of revised fees
Luxembourg	January 1, 2026	Coming into force of revised Circular CSSF 22/811
Malta	January 16, 2026	Closing of consultation exercise on amendments to the Investor Compensation Scheme Regulations issued under the Investment Services Act
IOSCO	February 2, 2026	Closing of Consultation Exercise on valuing collective investment schemes
United Kingdom	February 10, 2026	Closing of Consultation Exercise on market risk capital requirements for FCA investment firms
Jersey	January 30, 2026	Closing of consultation exercise on the updates to the guidelines on the interpretation of Article 36 of the Proceeds of Crime (Jersey) Law 1999.
United Kingdom	February 12, 2026	Closing of Consultation Exercise on UK crypto rules
Jersey	February 12, 2026	Closing of Consultation Exercise on AML/CFT/CPF handbook enhancements on complex structures
Luxembourg	February 23, 2026	Launch of annual AML/CFT Questionnaire for 2025

Guernsey	March 6, 2026	Closing of Consultation Exercise on Digital Finance
United Kingdom	April 2026	Publication of Rules on UK Short Selling Regime
Luxembourg	April 3, 2026	Deadline for submission of AML/CFT Questionnaire
European Union	April 16, 2026	Implementation deadline for AIFMD II and UCITS VI
United Kingdom	June 2026	Policy Statement on fund tokenisation



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