Proskauer

Regulation Round Up

Regulatory & Compliance on **February 2025**

Welcome to the Regulation Round Up, a regular bulletin highlighting the latest developments in UK and EU financial services regulation.

Key developments in February 2025:

28 February

FCA Handbook Changes: The Financial Conduct Authority ("**FCA**") published Handbook Notice 127, which sets out changes to the FCA Handbook made by the FCA board on 30 January and 27 February 2025.

27 February

Economic Growth / Consumer Duty: The FCA published a speech on, among other things, how the FCA is working to support growth initiatives in the economy and its approach to the Consumer Duty.

FCA Regulation Round-up: The FCA published its regulation round-up for February 2025. Among other things, it covers the launch of a new companion tool to the Financial Services Register and future changes to the pre-application support services the FCA offers.

26 February

Reserved Investor Funds: The Alternative Investment Funds (Reserved Investor Fund) Regulations 2025 (SI 2025/216) were published, together with an explanatory memorandum. The Reserved Investor Fund is a new UK-based unauthorised contractual scheme with lower costs and more flexibility than the existing authorised contractual scheme.

ESG: The European Commission proposed an Omnibus package on sustainability (here and here) to amend the sustainability due diligence and reporting requirements under the Corporate Sustainability Due Diligence Directive ((EU) 2024/1760) and the Corporate Sustainability Reporting Directive ((EU) 2022/2464). Please refer to our dedicated article on this topic here.

ESG: The European Commission published a call for evidence on a draft Delegated Regulation amending the Disclosures Delegated Act ((EU) 2021/2178) (Ares (2025) 1532453), the Taxonomy Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139*)* and the Taxonomy Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486).

FCA Asset Management / Alternatives Supervision: The FCA published a portfolio letter explaining its supervision priorities for asset management and alternatives firms.

Cryptoassets: ESMA published the official translations of its guidelines (ESMA35-1872330276-2030) on situations in which a third-country firm is deemed to solicit clients established or situated in the EU and the supervision practices to detect and prevent circumvention of the reverse solicitation exemption under the Markets in Crypto Assets Regulation (EU) 2023/1114 ("**MiCA**").

24 February

Artificial Intelligence: The FCA published a research note on AI's role in credit decisions.

Suitability Reviews / Ongoing Services: The FCA published a webpage and press release containing the findings of its multi-firm review of suitability reviews and whether financial advisers are delivering the ongoing services that consumers have paid for.

21 February

Cryptoassets: The Financial Stability Board published summary terms of reference for its thematic peer review on its global regulatory framework for cryptoasset activities.

20 February

PRA Policy: The Prudential Regulatory Authority ("**PRA**") published a policy statement (PS3/25) on its approach to policy.

Digital Operational Resilience: Two Commission Regulations supplementing the Regulation on digital operational resilience for the financial sector ((EU) 2022/2554) ("**DORA**") were published in the Official Journal of the European Union (here and here).

17 February

Cryptoassets: ESMA published a consultation paper (ESMA35-1872330276-2004) on guidelines for the criteria to assess knowledge and competence under MiCA.

14 February

ESG: The FCA updated its webpage on its consultation paper on extending the sustainability disclosure requirements ("**SDR**") and investment labelling regime to portfolio managers. Please refer to our dedicated article on this topic here.

ESG: The City of London Law Society published its response to HM Treasury's November 2024 consultation on the UK green taxonomy.

Authorised Funds: The FCA published a document setting out its expectations on authorised fund applications.

Financial Sanctions: The Office of Financial Sanctions Implementation published a threat assessment report covering financial services.

13 February

Financial Regulatory Forum: HM Treasury published a statement following the third meeting of the joint UK-EU Financial Regulatory Forum on 12 February 2025.

12 February

EU Competitiveness: The European Commission adopted a Communication setting out its vision to simplify how the EU works by reducing unnecessary bureaucracy and improving how new EU rules are made and implemented to make the EU more competitive.

European Commission 2025 Work Programme: The European Commission published a communication outlining its work programme for 2025 (COM(2025) 45 final).

10 February

Artificial Intelligence: The European Commission published draft non-binding guidelines to clarify the definition of an AI system under the EU AI Act.

5 February

ESG: The EU Platform on Sustainable Finance published a report setting out recommendations to simplify and improve the effectiveness of taxonomy reporting. Please refer to our dedicated article on this topic here.

3 February

Payments: The FCA published a portfolio letter sent to payments firms setting out its priorities for them and actions it expects them to take.

Artificial Intelligence: The House of Commons Treasury Committee launched an inquiry into AI in financial services and published a related call for evidence.

For more information, please contact us at ukreg@proskauer.com.

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