

Global regulatory update Q4 2024

This update covers significant global regulatory developments impacting the financial sector. In Europe, the UK and Channel Islands are updating rules on crypto-assets, ESG, financial services, and anti-money laundering. The Americas are making changes in digital assets, financial reporting, and AML. In the Asia-Pacific region, the focus is on new digital asset regulations, ESG, and strengthening financial industry resilience.

Europe – EU updates

Crypto and digital assets

- ESMA started the quarter by [responding](#) to the European Commission’s rejection of certain technical standards for authorisations of crypto-asset service providers and notifications other financial entities seeking to provide crypto-asset services under MiCA.
- ESMA and the EBA [published](#) joint guidelines on the assessment of the suitability of the members of the management body of issuers of asset-referenced tokens and of crypto-asset service providers.
- The European Supervisory Authorities (EBA, EIOPA, and ESMA (“ESAs”)) [issued](#) guidelines to facilitate consistency in the regulatory classification of crypto-assets under Article 97 of MiCA.
- The Implementing Technical Standards (ITS) on forms, formats and templates for the crypto-asset white papers were [published](#) in the EU Official Journal in late November 2024 which included [reporting](#) and [cooperation between competent authorities](#).
- A [statement](#) was issued warning on the risks posed by crypto-assets in light of their rise in use and value.

ESG

- Switching to ESG, ESMA [published](#) an updated implementation timeline for its sustainable finance framework.
- Focusing on SFDR, the ESAs have [published](#) their third annual Report on disclosures of principal adverse impacts under the regime.
- The EU Commission also [released](#) a set of FAQs addressing at improving the understanding of the SFDR and CSRD regulatory regimes.
- ESMA also [published](#) the notification questionnaire required under Article 15 of the European Green Bonds regulation.
- The European Council [adopted](#) a new regulation on ESG rating activities, with the objective of bringing a more consistent and transparent approach in the EU.
- Finally, ESMA published three Q&As on the application of [guidelines](#) for funds' names using ESG or sustainability-related terms issued in August 2024. The [first](#) Q&A focuses on green bonds, the [second](#) on meaningfully investing in sustainable investments, and the [third](#) on controversial weapons.

Financial Service regulatory and directives updates:

- Q4 started off with ESMA [launching](#) two consultations on its MiFIR transaction reporting framework, with one focusing on transaction data reporting (RTS 22), and the other on order book data (RTS 24).
- Keeping with MiFID/MiFIR, ESMA [released](#) the SMSG's advice received on ESMA's third consultation package on several Regulatory Technical Standards ("RTS") addressing equity transparency.
- ESMA [released](#) a consultation seeking feedback following changes to the Market Abuse Regulation ("MAR") and MiFID II introduced by the Listing Act.
- Further to an earlier public hearing, ESMA [published](#) its final report highlighting its assessment on the shortening of the settlement cycle to T+1 in the EU, with a proposal to move to this cycle by October 2027.
- Moving onto the AIFMD and UCITS regimes, ESMA [announced](#) a collection exercise, along with national competent authorities, on costs linked to investments in AIFs and UCITS. ESMA will then issue a report to the EU Parliament, Council, and Commission to share information on practices in EU financial markets.
- Staying with AIFMD, ESMA [opened](#) a consultation on the draft RTS proposed for open-ended loan originating AIFs.
- The ELTIF regime was also on the agenda, the European Commission [published](#) the RTS applicable to the revamped version of the ELTIF regime, commonly called ELTIF 2.0 and introducing certain improvements on the original regime.
- Focusing on Solvency II and IRRD frameworks, the European Council [adopted](#) two directives amending Solvency II and introducing new rules in the IRRD. More specifically on Solvency II, EIOPA [launched](#) several consultations on the regulatory and implementing technical standards as part of its review on the regulatory framework.
- DORA was also in the news in Q4, with the ESAs [releasing](#) a statement on the application of the regime from January 17, 2025.

- On the tax front, the European Commission [published](#) the latest update to its list of non-cooperative jurisdictions for tax purposes, which included the removal of Antigua and Barbuda from the list.
- Parties involved in regulatory reporting may have seen that FinDatEx [released](#) two updates to its templates, the first one being v7 of the TPT template and the second one on the EET template.
- Other meaningful updates included several Q&A updates, two focusing on AIFMD ([one](#) on the crystallisation of performance fees, and [another](#) on guidelines on performance fees for UCITS and certain types of AIFs), one on MiCA [focusing](#) on grandfathering, and [another](#) one on size and position limits for MiFID II. The ESAs also [finalised](#) their draft implementing technical standards to facilitate the access to financial and sustainability information on the European Single Access Point (“ESAP”), and ESMA [launched](#) a consultation aimed at digitalising sustainability and financial disclosures under the European Single Format (“ESEF”) regulation.

Europe – Country updates

UK

- The FCA [launched](#) a consultation focusing on its future Consumer Composite Investments (“CCI”) regulatory framework, which is aimed towards any firm that manufactures or distributes a CCI to retail investors in the UK and more importantly aiming to move away from the EU PRIIPS and UCITS regimes by simplifying disclosure requirements. Earlier in the quarter, the FCA had [announced](#) that its prior forbearance on investment trust disclosure requirements would cease to apply on November 22, 2024, which is when the Packaged Retail and Insurance-based Investment Products (Retail Disclosure) (Amendment) Regulations 2024 would come into force.
- Switching towards private markets, the FCA [issued](#) a consultation aimed towards the setting-up of a Private Intermittent Securities and Capital Exchange System (“PISCES”), a trading platform which would enable the intermittent trading of private company shares using market infrastructure.
- In the crypto-asset space, the FCA [published](#) a discussion paper seeking input on the UK’s crypto-asset admission and disclosure rules as well as market abuse rules.
- Much like in the European Union, operational resilience was also a key theme in recent weeks. The FCA, PRA, and the Bank of England [released](#) PS24/16, implementing policy measures to manage the systemic risks posed by certain critical third parties to the UK financial sector. The
- The FCA [provided](#) an update on its proposed diversity and inclusion in the financial sector by stating it would publish final rules in early 2025, followed by FCA and PRA policy statements on the remaining diversity and inclusion proposals later in the year.
- Consumer Duty was also a topic of interest, the FCA published its findings on reviewing about 180 firms’ compliance with the regulation, highlighting good practices as well as areas for improvement. The regulator also [released](#) its 2024/2025 focus areas.
- Moving to ESG, and as part of the FCA’s Quarterly Consultation CP24-26, the regulator published a few minor consultative changes to its Sustainability Disclosure Regime (“SDR”).
- The regulator also [shared](#) various pre-contractual disclosures examples.
- The FCA also [provided](#) an update on its Short Selling Regulation framework.
- On AML, the FCA [updated](#) its Financial Crime Guide by adding more detail and sections on sanctions, proliferation financing, transaction monitoring, crypto-assets, and the Consumer Duty.
- The FCA [shared](#) a consultation paper (CP24/2, Part 2) aimed at seeking input as part of the regulator’s desire to provide more transparency as part of its enforcement actions. The House of Lords’ [Financial Services Regulation Committee](#) and [the Treasury Select Committee](#) each shared responses from the FCA on prior questions posed to the regulator on CP24/2, Part 2.
- Firms caught by the FCA and the PRA’s remuneration regime will also be interested in reading through the [CP24/23](#).

- Focusing on MiFID, the FCA [issued](#) a Discussion Paper targeting improvements to its transaction reporting regime. The FCA also [launched](#) a consultation CP24/24 aimed at making changes to the MiFID Organisational Regulation.
- The FCA [released](#) PS24/14, addressing updated and simpler transparency requirements only for bonds admitted to trading on a trading venue and certain derivatives subject to the clearing obligation, as part of the regulator's effort in improving the UK's attractiveness as a financial centre.
- FCA also [launched](#) a consultation proposed changes to unbundle the payments for execution and investment research for pooled investment vehicles, especially for managers operating under the AIFMD and UCITS regimes.
- The FCA and PRA [published](#) a joint policy statement replacing prior EU rules and addressing change in control events, effective from November 1, 2024.
- Other meaningful updates include the October 2024 [update](#) of the FCA's Regulatory Initiative Grid and a [press release](#) focusing on the end of the LIBOR.

Channel Islands

Jersey

- The JFSC [issued](#) its 2023 countering the financing of terrorism and proliferation financing examination feedback.
- Following Jersey's MONEYAL mutual evaluation report which highlighted areas to strengthen Jersey's AML/CFT framework, the JFSC [published](#) its action plan to implement the recommended actions..
- The regulator also updated Appendices [D1](#) and [D2](#) to its AML/CFT/CPF Handbook further to FATF's October announcements.
- Several bitesize feedback papers highlighting good practices, areas of improvement, and key considerations on: [fund services businesses on unregulated funds](#), [Travel Rule considerations for virtual asset service providers](#) and [designated non-financial businesses and professions](#) and [real estate agents](#).
- An important update saw the JFSC [release](#) a green paper seeking feedback on the status of the compliance function within the Jersey financial services industry, with several suggestions such as the removal of the Jersey residency requirement for Key Persons.
- On ESG, the Jersey Government [published](#) its sustainable finance action plan, highlighting key areas to focus on in the next two to three years through, amongst others, 10 action points.
- After an [initial](#) consultation in October, the JFSC [communicated](#) its feedback on 2025 registry and regulatory fees applicable from January 1, 2025.
- Moving onto beneficial ownership considerations, the JFSC [published](#) the results of its Q2 Registry Supervision inspection programme.

- Another meaningful update saw the JFSC [published](#) its first sectorial aggregated data on higher-risk customer factors, focusing, for December 2024, on banking, investment businesses, and legal/trust company businesses.

Guernsey

- The GFSC [updated](#) its AML/CFT/CPF Handbook's Appendices C and I, focusing on jurisdictional risk.
- On ESG, the GFSC [provided](#) a quick update announcing it would provide feedback in 2025 on its earlier consultation focusing on the future of sustainability reporting in Guernsey.
- The regulator [issued](#) an amended version of its earlier explanatory note regarding the surrender of the authorisation or registration of collective investment schemes, further to industry feedback and experience.
- Another [update](#) focused on the 2025 license fees effective from January 1, 2025.

Luxembourg

- The CSSF [issued](#) a feedback report on the thematic review focused on the delegation of portfolio management functions by investment fund managers.
- Focusing on regulatory reporting considerations, the CSSF [released](#) a version 1.3 FAQ on U.1.1 reporting.
- The ESG sector also saw a [press release](#) from the regulator asking for vigilance on greenwashing in the sustainable finance industry.
- Keeping with ESG, the CSSF [published](#) version 4 of its FAQ on the SFDR. The regulator also released the results of its fact-finding exercise on issuers' sustainability reporting under the CSRD and ESRS regulations.
- The CSSF also [released](#) a communiqué informing industry of the publication of [Circular CSSF 24/863](#), implementing ESMA's guidelines on funds' names using ESG or sustainability-related terms into Luxembourg's regulatory framework.
- Moving to financial reporting, the CSSF [published](#) a report focusing on themes and issues for consideration for annual reports for entities caught under the Transparency Law.
- UCITS were also on the agenda, with the CSSF [publishing](#) version 22 of its FAQ on the regulation.
- The CSSF [issued](#) Circular CSSF 24/867 updating Circular CSSF 19/724 and focusing on the Prospectus regulation submission requirements.
- The regulator also [released](#) a Circular laying out the modifications on the collection of information for Money Market Funds ("MMFs") and non-MMF investment funds, for all undertakings for collective investment in transferable securities and all alternative investment funds.
- Switching to AML/CFT, and more, the CSSF [published](#) its first FAQ addressing AML/CFT on assets.

Malta

- The MFSA [released](#) a Dear CEO letter highlighting its main findings on its supervisory engagements with investment firms, with areas of focus being, amongst others, governance practices, risk management, conflicts of interest or general knowledge with the Investment Firms Regulation/Directive.
- The regulator also [announced](#) seeking to amend its regulatory framework in order to facilitate the development of single-family offices on the island.
- Importantly, the MFSA [announced](#) proposals, via a consultation paper, to its current regulatory framework for company service providers, which also covers the provision of directorship and company secretary services. Several key proposals include a new notification regime for individuals involved in up to two entities as directors or company secretaries, as well as simplifications to the application processes of company service providers involved in up to 10 directorships and company secretary roles.

Americas

USA

- The SEC [released](#) an FAQ ahead of the changes to Form PF reporting. The SEC has indicated that the revised Form PF will be available in late January 2025. Firms will be able to begin drafting Form PF thereafter.
- December saw the U.S. Court of Appeals for the Fifth Circuit reinstated beneficial ownership reporting obligations under the Corporate Transparency Act (“CTA”). Those obligations had been suspended earlier in December by the U.S. District Court for the Eastern District of Texas. Subsequently, on December 26, 2024, a different panel of the Court reinstated the temporary injunction blocking FinCEN’s enforcement of the reporting requirements. As it currently stands, reporting companies are not required to file beneficial ownership information with FinCEN and are not subject to liability if they fail to do so while the temporary injunction remains in place. Firms are encouraged to monitor FinCEN’s [website](#) for updates. Firms may also voluntarily report.
- The SEC’s Division of Examinations [published](#) its 2025 key priorities and areas of focus, with certain areas identified, such as adherence to fiduciary standards, effectiveness of investment advisers’ compliance programs and a continued focus on investment advisers of private funds.

Cayman Islands

- Our Cayman Islands update starts with CIMA [issuing](#) a circular setting out how regulated entities should implement and embed effective complaints-handling policies and procedures internally.
- A few weeks later, CIMA [communicated](#) several changes to the application form for virtual asset service providers, with an effective date of December 13, 2024.

Bermuda

- The BMA [responded](#) to feedback on its proposed amendments to the Corporate Service Provider Service Act 2012 intending to finalise the recommended amendments to the Act and begin drafting recommendations for supporting secondary instruments.
- On the virtual assets front, the BMA [launched](#) a consultation seeking feedback on amendments to the Digital Asset Business Act 2018 and the Digital Asset Business (Prudential Standards) (Annual Return) Rules 2018.
- Moving over to AML, the BMA, on the back of the FATF plenary update, [released](#) an advisory notice focusing on enhanced customer due diligence measures relating to high-risk countries.
- The BMA also [issued](#) a consultation seeking feedback on a proposed regulatory regime for digital identity service providers in Bermuda.
- The BMA also opened consultations relating to the insurance sector, more specifically [one](#) on a regulatory proposal to publicly disclose the assets and liabilities of Class C, D and E Bermuda long-term commercial insurers, and [another](#) on the application of the Prudent Person Principle.

Asia-Pacific

Hong Kong

- The SFC [released](#) its consultation conclusions on proposals to enhance its REIT regime as well as an enhanced market conduct regime for collective investment schemes under the Securities and Futures Ordinance.
- The regulator also [published](#) a circular highlighting deficiencies in the management of private funds and discretionary accounts, focusing on certain key areas such as conflicts of interest, failures to implement adequate risk management measures, investor information disclosures and valuation methodologies.
- Moving to ESG, the SFC [issued](#) a circular providing guidance to asset managers regarding due diligence expectations for third-party ESG ratings and data products providers.
- The SFC and HKEX jointly [published](#) an update, along with an appendix [timeline](#), providing an enhanced timeframe for the new listing application process, with the aim to provide greater clarity and certainty to the timeline for reviewing new listing applications by the SFC and HKEX.
- In line with other regulators, there is a growing focus on ensuring industry is addressing risks from third-party IT solutions, and HKMA [published](#) a communication to all authorised institutions on the matter.
- HKMA also [published](#) a research paper addressing generative Artificial Intelligence (“AI”) in the financial services sector, focusing on opportunities as well as potential risks with the growing adoption of AI in the financial services industry.
- Finally, virtual assets were, in a similar fashion to other jurisdictions, an area of focus with the SFC issuing a [circular](#), along with an [appendix](#), focusing on licensing for virtual

asset trading platforms. Keeping with the topic, HKMA's late September quarterly bulletin [included](#) a paper focusing on a regulatory regime for stablecoin issuers in Hong Kong.

Singapore

- the MAS' Guardian Funds Framework industry group [released](#) a set of recommendations setting out a framework for the tokenisation of fund lifecycle and activities, including asset servicing, and on-chain share register archetypes and data. The framework also proposes a Guardian Composable Token Taxonomy, which demonstrates how new tokenised assets, which are a composite of multiple asset classes, can be readily created.
- MAS also [launched](#) a consultation setting out proposals for a regulatory approach aimed at digital token service providers.
- Singapore's Ministry of Home Affairs, Ministry of Finance and MAS jointly [published](#) a report highlighting their findings and recommendations following a review of Singapore's AML framework. The report was, a few weeks later, followed by the [publication](#) of Singapore's national AML strategy.
- Also noteworthy was an update by MAS announcing that its Code on Collective Investment Schemes would be revised to rationalise leverage requirements for REITs as well as create new disclosures for the REIT industry.

Australia

- ASIC [issued](#) its 2023-24 update on licensing and professional registration activities. ASIC also [reissued](#) Regulatory Guide 133 (*Funds management and custodial services: Holding assets*) to provide the latest guidance to asset-holding Australian financial services licensees.
- APRA [issued](#) its 2023/2024 annual report.
- On AML, the Australian Parliament [passed](#) the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024, bringing significant amendments and improvements to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Act).
- In the Superannuation sector APRA [published](#) its response paper focusing on strengthening financial resilience. Additionally, APRA [issued](#) updated requirements to address operational risk in its Prudential Standard SPS 114 Operational Risk Financial Requirement (SPS 114) and related guidance, effective from July 1, 2025.
- A letter to all registrable superannuation entity licensees outlining its approach for intensifying supervision of fund-level expenditure was [published](#) by APRA.
- APRA also [released](#) its inaugural publication on fund-level data on expenditure.
- ASIC [published](#) its review on compliance and improvements relating to the reportable situations regime. The publication follows an earlier [paper](#) on the July 2023 to June 2024 insights on the regime.
- The FSC released issue 82 of its policy update, covering several topics such as superannuation, investments (including sustainable finance), tax, and technology.

- AI was also part of the regulatory agenda, with ASIC [publishing](#) Report 798 highlighting risks in governance relating to the adoption of Artificial Intelligence in the financial services industry in Australia.
- ASIC [launched](#) Consultation Paper 381, outlining updates to INFO 225, an information sheet published by the Australian Government focusing on digital and crypto assets that are financial products.
- Moving to ESG, APRA [published](#) its 2024 climate risk self-assessment.
- Other noteworthy updates included a [technical paper](#) setting out beneficial ownership reforms (including a section, amongst others, on unlisted companies) and ASIC [updating](#) several of its regulatory guides.
- [Please refer to our dedicated [Australia update](#)]

Middle East and Africa

United Arab Emirates

Abu Dhabi

- The FSRA [launched](#) various consultations as part of their Consultation Paper N.10, including, amongst others, amendments to its Financial Services Markets Regulations 2015, Conduct of Business Rulebook and the Anti-Money Laundering and Sanctions Rules and Guidance as its General Rulebook.
- Digital assets were also a key area of regulator activity. First, the FSRA [published](#) Consultation Paper 11, seeking feedback on proposed changes to its digital asset regulatory framework for Authorised Persons conducting regulated activities involving virtual assets. Another point of note is that the consultation, amongst others, also lays out a proposal to expand the scope of investments in which venture capital funds may invest.
- Second, the FSRA also [communicated](#) on the introduction a regulatory framework for the issuance of fiat-referenced tokens, through changes to its [Regulations](#) and [Rules](#).
- The FSRA [published](#) guidance applicable to domestic/foreign funds and model portfolios which hold themselves out as having environmental, social and/or governance characteristics.
- FSRA also [released](#) guidance to the financial sector on IT risk management.

Download the full [ADGM regulatory update Q4 2024](#) here.

Dubai

- DFSA [published](#) a comprehensive explainer on the regulation of crypto tokens, with a focus on the DFSA's own regulatory framework as well as addressing several questions via a Q&A.

- The DFSA [communicated](#) its feedback statement on an earlier Consultation CP157, which also led to the DFSA [updating](#) its Fees Module (FER), effective January 1, 2025.
- The DFSA also [released](#) its thematic review on the treatment of complaints handling practices within the DIFC.
- The regulator also [launched](#) various other consultations, notably changes to its [General Module](#), [AML](#) and [Conduct of Business Module](#) rulebooks.
- Finally, the DFSA also [published](#) consultation paper CP162 seeking feedback on changing the DFSA's statutory objectives.

Download the [full DFSA regulatory update Q4 2024](#) here.

Mauritius

- The FSC [published](#) guidelines for the determination of completeness of an application for a license by the regulator, applicable to applications for a licence/authorisation under Part IV of the FSA under section 71A of the FSA and applications for a Global Business Licence under section 72 of the FSA.
- With a target to attract more business into the island, the FSC [announced](#) through Government Notice No.219 of 2024, that Section 17B of its Financial Services Act (which specify turnaround times for determination of an application's completeness) will not apply for certain applications such as investment banking licenses, securities exchange licences, securities trading systems licences, or clearing and settlement facility licences and management company licenses.
- The FSC also [made](#) several changes to its Financial Services (Consolidated Licensing and Fees) rules.

South Africa

- The FSCA [issued](#) a notice announced that a crypto-asset financial services provider and its key individuals are exempted from Part 4 of Chapter 3 of the Determination of Fit and Proper Requirements until June 30, 2025.
- Continuing on crypto-assets, the FSCA [published](#) a press release focused on licensed crypto-asset service providers' licensing applications statistics.
- The FIC also [published](#) a press release announcing the issuance of Directive 9, effective April 30, 2025, relating to the Travel Rule for institutions engaged in crypto-asset transfers.
- Switching to AML, the South African Treasury [published](#) the draft General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill, 2024 for public comment and ahead of South Africa's next mutual evaluation by FATF in 2026/2027.
- The FIC also announced its goAML platform will undergo updates in May 2025, with the purpose of enhancing user experience and expanding the range of tools available on the platform.
- The Government's Justice Department [released](#) a public notice granting a 15 day grace period for trustees to file their details on the South African beneficial ownership register

to November 30, 2024. After this date, the media release states that no further extension or grace period would be granted.

International

- IOSCO [published](#) its final report on investor education in crypto-assets, with a focus on suggestions for additional investor education to better address protection for risks involved in the growing asset class.
- IOSCO also [released](#) its speech delivered at the FCA's 2024 international capital markets conference and focusing on IOSCO's role and priorities, especially on sustainable finance, technology, and innovation as well as upcoming policy work.
- Switching to AML, FATF [published](#) the results of its plenary, notably with an [update](#) to its list of jurisdictions under increased monitoring (with the removal of Senegal from the list) and, importantly, the [announcement](#) of a change in its grey listing criteria, which are also reflected in the October 2024 [update](#) of its Procedures. At a high-level, the changes made by the FATF will ensure the listing process better targets the countries that pose the greatest risk to the international financial system and contributes to more adequate support to low-capacity countries.
- The FSB [published](#) a report addressing the implications of the rapid rise in the use of Artificial Intelligence in the financial sector, with a focus on potential increases to systemic risk as well as benefits relating to the use of AI, with a recommendation to ensure regulatory frameworks are adequately prepared to mitigate AI-related risks. The FSI also [published](#) a paper on AI.

Stay informed with the latest updates

We encourage you to keep up to date with our global regulatory tracker. Cut through the complexity and stay up to date with our interactive hub, where you can quickly and easily track the regulatory and compliance updates that matter to you.

How can we help?

We offer a vast range of services to help you with regulatory and compliance needs, including an exhaustive [regulatory reporting solution](#).