ONE COMPASS

Our monthly regulatory update

REGULATORY CLIENT UPDATE / APRIL 2025

COUNTRIES THE CHANGES MAY BE APPLICABLE TO		
ASSESSMENT OF LEVELS OF IMPACT/ RISK	Low	
	Medium	
	High	

NEW PUBLICATIONS	
The Financial Conduct Authority published a policy statement PS25/2 on the derivatives trading obligation (DTO) and post-trade risk reduction services	
The European Commission published an AI Continent action plan	
The European Council adopted rules to extend cooperation and information exchange between tax authorities to minimum effective corporate taxation	
Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements	

PRIORITIES	
ESMA launched Common Supervisory Action on Compliance and Internal Audit Functions of UCITS Management Companies and AIFMs	
The CSSF published a new notification form for financial entities subject to DORA	
The CSSF published numerous Circulars related to ICT assessment, security risk management, the use of ICT third-party services for Financial Entities subject to DORA and outsourcing arrangements	
The CSSF published Circular CSSF 25/884 which provides guidance on the application of EBA Guidelines on remuneration policies	
The CSSF published Circular CSSF 25/887, Circular CSSF 25/888 and Circular CSSF 25/889, regarding the application of ESMA Guidelines related to MiCA Regulation	

TIMELINE

2 April 2025

- The CSSF published a reminder regarding the new transmission method for internalised settlement reporting (CSDR Art. 9)

3 April 2025

- ESMA (European Securities and Markets Authority) released a Q&A on ECSPR
- Financial Conduct Authority published a policy statement PS25/2 on the derivatives trading obligation (DTO) and post-trade risk reduction services

4 April 2025

- ESMA (European Securities and Markets Authority) released a Q&A on ECSPR
- Financial Conduct Authority published a policy statement PS25/2 on the derivatives trading obligation (DTO) and post-trade risk reduction services

7 April 2025

- ESMA released a Q&A on Registered AIFM and MiCA
- The CSSF published Circular CSSF 25/878 and Circular CSSF 25/879
- The HM Treasury published an open consultation for Alternative Investment Fund Managers Regulations

8 April 2025

- The International Trade Committee adopted revised rules for screening foreign investments in the EU
- The EDPB published a draft version of the Guidelines on processing of personal data through blockchain technologies (Guidelines 02/2025)

9 April 2025

- The European Parliament published a draft report from ECON on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 909/2014
- The European Commission published an AI Continent action plan
- ESMA published the final report on the outcome of its Common Supervisory Action on ESG disclosures under the Benchmarks Regulation (BMR)
- A draft law on the implementation of certain provisions of the AI Act was published in Luxembourg
- The CSSF published an announcement with the Definition of "ICT services" under DORA / New forms for ICT-third party arrangements / ICT outsourcing arrangements
- The CSSF published a new notification form for financial entities subject to DORA to notify the CSSF
- The CSSF published s number of Circulars related to ICT assessment, security risk management, the use of ICT third-party services for Financial Entities subject to DORA and outsourcing arrangements

14 April 2025

- The European Council adopts rules to extend cooperation and information exchange between tax authorities to minimum effective corporate taxation
- The FCA published the Regulatory Initiatives Grid

15 April 2025

- ESMA published two reports, a draft regarding the RTS and the final guidelines on LMTs under the AIFMD and UCITS Directive
- The European Commission has launched a targeted consultation to gather stakeholder feedback on obstacles to financial market integration across the EU

16 April 2025

- Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements
- The CSSF published Circular CSSF 25/884

17 April 2025

- The Central Bank of Ireland published the 42nd Edition of the UCITS Q&A

23 April 2025

- The CSSF published FAQ on national reporting B4.5 and B4.6

24 April 2025

- The FCA published a Consultation Paper on the definition of capital for FCA Investment Firms (CP25/10)
- The Central Bank of Ireland published the operational and technical arrangements for submitting transaction reports under MiFIR

28 April 2025

- The Central Bank of Ireland published a FAQ regarding "Bond prospectus approvals"
- The Central Bank of Ireland published a series of Regulatory Reporting Requirements

29 April 2025

- ESMA published guidelines on supervisory practices to prevent and detect market abuse under MiCA

DETAILED UPDATES

<table>
<tr><th>SCOPE</th><th>LEVEL OF IMPACT</th><th colspan="2">APPLICABLE TO</th></tr>
<tr><td>There was a 2025 AML/ CTF Conference Dedicated to Investment Firms</td><td></td><td colspan="2"></td></tr>
<tr><th colspan="4">SUMMARY/ MAIN POINTS</th></tr>
<tr><td colspan="4">There was a 2025 CSSF AML/CFT Conference dedicated to investment firms on the 28th March where several topic were approached, including AML/CFT Investment Firms’ offsite supervision, AML/ CTF on-site inspections for Investment Firm and the Regulatory evolution (AML/CTF package):

Regarding the new AML/ CTF package, we highlight the official adoption of the 3 remaining texts of the AML/CFT package on 19.06.2024:

• Regulation (EU) 2024/1624 (‘AMLR’),
• Directive (EU) 2024/1640 (‘AMLD6’),
• Regulation (EU) 2024/1620 (‘AMLAR’)</td></tr>
<tr><th>LINK</th><td colspan="3">2025 AML/CFT Conference dedicated to Investment Firms</td></tr>
<tr><th>ENTRY INTO APPLICATION</th><td colspan="3">N/A</td></tr>
</table>

<table>
<tr><th>SCOPE</th><th>LEVEL OF IMPACT</th><th colspan="2">APPLICABLE TO</th></tr>
<tr><td>On 2 April 2025 the CSSF published a reminder regarding the new transmission method for internalised settlement reporting (CSDR Art. 9)</td><td></td><td colspan="2"></td></tr>
<tr><th colspan="4">SUMMARY/ MAIN POINTS</th></tr>
<tr><td colspan="4">
Starting from 1 July 2025, the transmission method for the internalised settlement reporting (CSDR Art.9) will change.

The reports will be exclusively collected through the two methods below, free of charge:

• ZIP file (including the report in XML format) to be submitted in the dedicated eDesk procedure;
• Automated submission of the ZIP file (including the report in XML format) via API (S3 protocol).

As of 1 July 2025:

• The quarterly reports covering the current reference period (Q2 2025) as well as all resubmissions related to previous reference periods are impacted;
• No CSDR Art. 9 reporting will be accepted through the historical external channels.
</td></tr>
<tr><th>LINK</th><td colspan="3">Reminder: new transmission method for internalised settlement reporting (CSDR Art. 9) – CSSF</td></tr>
<tr><th>ENTRY INTO APPLICATION</th><td colspan="3">1 July 2025</td></tr>
</table>

<table>
<tr><th>SCOPE</th><th>LEVEL OF IMPACT</th><th>APPLICABLE TO</th></tr>
<tr><td>On 3 April 2025 ESMA (European Securities and Markets Authority) released a Q&A on ECSPR</td><td></td><td></td></tr>
<tr><th colspan="3">SUMMARY/ MAIN POINTS</th></tr>
<tr><td colspan="3">According to Article 25(1) of the ECSPR, crowdfunding service providers may operate a bulletin board on which they allow their clients to advertise interest in buying and selling loans, transferable securities or admitted instruments for crowdfunding purposes that were originally offered on their crowdfunding platforms.

Article 25(3) of the ECSPR also provides disclosure requirements concerning the users of the bulletin board, in particular, it is established that crowdfunding service providers (which operate a bulletin board) have to require their clients which advertise a sale of a loan, transferable security or admitted instrument for crowdfunding purposes “to make available the key investment information sheet” (point (b) of Article 25(3) of ECSPR).

ESMA acknowledges that the information reported in the KIIS might become outdated by the time the advertisement is made on the bulletin board, therefore, whenever a client of a crowdfunding service provider advertises the sale of a loan, security or instrument on the bulletin board of that provider after the closing of the offer, the relevant crowdfunding service provider should ensure that the selling client indicates the date (month and year only) on which the KIIS was provided to that client.</td></tr>
<tr><th>LINK</th><td colspan="2">ESMA_QA_2501</td></tr>
<tr><th>ENTRY INTO APPLICATION</th><td colspan="2">N/A</td></tr>
</table>

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 3 April 2025, the Financial Conduct Authority published a policy statement PS25/2 on the derivatives trading obligation (DTO) and post-trade risk reduction services		

SUMMARY/ MAIN POINTS
The Financial Conduct Authority (FCA) has published policy statement PS25/2 on the derivatives trading obligation (DTO) and post-trade risk reduction services, proposing changes in order to enhance market integrity. One of the changes in the policy statement it that it allows investment firms to benefit from various exclusions, like exemptions from the DTO, best execution and the transparency requirements.

LINK	PS25/2: Policy Statement on the derivatives trading obligation and post-trade risk reduction services | FCA
ENTRY INTO APPLICATION	**30 June 2025**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 4 April 2025 ESMA launched ESMA Common Supervisory Action on Compliance and Internal Audit Functions of UCITS Management Companies and AIFMs		

SUMMARY/ MAIN POINTS
On 14 February 2025, the European Securities and Markets Authority had launched a Common Supervisory Action (CSA) with National Competent Authorities (NCAs) on Compliance and Internal Audit Functions of UCITS Management Companies ("UCITS Managers") and authorised Alternative Investment Funds Managers ("AIFMs") across the European Union, in order to assess the level of compliance, knowledge and expertise that it is required to perform their duties under the AIFMD and UCITS Directive. In Luxembourg, the CSSF will proceed with an analysis based on a questionnaire covering policies, procedures, measures relevant to functions, delegation and internal control plans, for which the CSSF has already contacted the entities in scope through email by 11 April 2025. This questionnaire will be submitted through the CSSF's eDesk Portal.

LINK	ESMA launches a Common Supervisory Action with NCAs on Compliance and Internal Audit Functions
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 7 April 2025 ESMA (European Securities and Markets Authority) released a Q&A on Registered AIFM and MiCA		

SUMMARY/ MAIN POINTS
Does article 60 paragraph 5 MICA apply to registered (sometimes referred to as sub-threshold) Alternative Investment Fund Managers referred to in Article 3(2) AIFMD (Directive 2011/61/EU)? Article 60(5) provides that "A UCITS management company or an alternative investment fund manager may provide crypto-asset services equivalent to the management of portfolios of investment and non-core services for which it is authorised [emphasis added] under Directive 2009/65/EC or Directive 2011/61/EU if it notifies the competent authority of the home Member State of the information referred to in paragraph 7 of this Article at least 40 working days before providing those services for the first time." Alternative investment fund managers referred to in Article 3(2) of the AIFMD are exempt from authorisation under the AIFMD – they are instead simply registered. As such they may not provide crypto-asset services on the basis of a notification under Article 60(5) of MiCA.

LINK	ESMA_QA_2397
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 7 April 2025 the CSSF published Circular CSSF 25/878		

SUMMARY/ MAIN POINTS
The CSSF adopted the revised EBA guidelines EBA/GL/2024/01 on money laundering and terrorist financing risk factors (Circular CSSF 25/878 complementing Circular CSSF 23/842 and Circular CSSF 21/782). Circular CSSF 25/878 applies to credit and financial institutions as defined in Article 1(3) and (3a) of the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended ("the AML/CFT Law"), including in particular CASPs. **Key amendments:** • Incorporation of Specific Risk Factors (pertaining to crypto-assets and CASPs); • Guidance for Credit and Financial Institutions with detailed instructions focusing on ML/TF risks linked to clients providing crypto-asset services, particularly those neither regulated nor authorised under MiCAR; • Sector-Specific Guidance for CASPs with specific considerations for evaluating ML/TF risks in their business relationships; • Guidance on mitigating measures for CASPs suggesting various mitigating actions for CASPs to employ in both high and lower ML/TF risk scenarios.

LINK	Circular CSSF 25/878
ENTRY INTO APPLICATION	**Already in application**

<table>
<tr><th colspan="2">SCOPE</th><th>LEVEL OF IMPACT</th><th>APPLICABLE TO</th></tr>
<tr><td colspan="2">On 7 April 2025 the CSSF published Circular CSSF 25/879</td><td></td><td></td></tr>
<tr><th colspan="4">SUMMARY/ MAIN POINTS</th></tr>
<tr><td colspan="4">CSSF adopted the EBA Guidelines on information requirements in relation to transfers of funds and certain crypto-assets transfers under Regulation (EU) 2023/1113 (“Travel Rule Guidelines”) - (Circular CSSF 25/879).

These set out common measures that payment service providers (PSPs), intermediary payment service providers (IPSPs), cryptoasset service providers (CASPs) and intermediary crypto-asset service providers (ICASPs) should put in place and how these procedures should be applied.

Key points:

• Specific information requirements about the payer/originator and the payee/beneficiary and of the obligation to verify the accuracy and completeness of this information before the execution of transfers.
• Detection and management of Missing information (establishment of procedures to detect and manage transfers lacking required information)
• Adoption of a Risk-Based Approach for PSPs, IPSPs, CASPs and ICASPs;
• Adoption of measures for identifying, assessing and mitigating risks associated with transactions involving self-hosted addresses
• Direct Debits: Clarification on the application of the requirements to direct debit transactions.</td></tr>
<tr><th>LINK</th><td colspan="3">Circular CSSF 25/879</td></tr>
<tr><th>ENTRY INTO APPLICATION</th><td colspan="3">Already in application
(transitional period up to 31 July 2025 for CASPs and ICASPs)</td></tr>
</table>

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<tr><th>SCOPE</th><th>LEVEL OF IMPACT</th><th colspan="2">APPLICABLE TO</th></tr>
<tr><td>On 7 April 2025 the HM Treasury published an open consultation for Alternative Investment Fund Managers Regulations</td><td></td><td colspan="2"></td></tr>
<tr><th colspan="4">SUMMARY/ MAIN POINTS</th></tr>
<tr><td colspan="4">On the 7 April 2025, the HM Treasury published an open consultation for Alternative Investment Fund Managers Regulations with a proposal to amend the regulations related to managers of Alternative Investment Funds, making it simpler and cheaper for most asset managers to do business in the UK.

This consultation is accompanied by an FCA Call for Input, setting out their proposed approach for Alternative Investment Fund Managers, on the basis of the government’s proposals.

This consultation will close on the 9th June 2025.</td></tr>
<tr><th>LINK</th><td colspan="3">Alternative Investment Fund Managers Regulations consultation - GOV.UK</td></tr>
<tr><th>ENTRY INTO APPLICATION</th><td colspan="3">N/A</td></tr>
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SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 8 April 2025 the International Trade Committee adopted revised rules for screening foreign investments in the EU		

SUMMARY/ MAIN POINTS
Under the new rules, there are new sectors that will be subject to mandatory screening by the Member States, in order to identify and address security risks related to foreign investment . Besides, the Commission will have the power to intervene on its own initiative or where there are disagreements between Member States about potential security or public order risks. The Parliament is expected to vote on the proposal in an upcoming plenary session, after which negotiations with Member States can begin.

LINK	[New screening rules for foreign investment in the EU | Atualidade | Parlamento Europeu]
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 8 April 2025, the EDPB published a draft version of the Guidelines on processing of personal data through blockchain technologies (Guidelines 02/2025)		

SUMMARY/ MAIN POINTS
The European Data Protection Board (EDPB) published a draft version of the Guidelines on processing of personal data through blockchain technologies (Guidelines 02/2025). This version covers a description of the technology of blockchains and the GDPR challenges that arise when a processing operation is based on blockchain technology, like the fact that it is characterized by the absence of a central authority and inherent transparency enabling each participant to access all or part of the data recorded on-chain. It also mentions the different categories of personal data that may appear on a blockchain and shows that the immutable nature of blockchain poses significant challenges to GDPR principles, such as data minimization, purpose limitation, and the rights to rectification and erasure.

LINK	Guidelines 02/2025 on processing of personal data through blockchain technologies | European Data Protection Board
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 9 April 2025, the European Parliament published a draft report from ECON on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 909/2014		

SUMMARY/ MAIN POINTS
On 9 April 2025, the European Parliament published a draft report from the Committee on Economic and Monetary Affairs (ECON) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union. The Parliament considers that the proposal aims to increase competitiveness, reduce risks to financial stability and promote the efficiency of settlement and that adopting T+1 in the EU, in coordination with the UK and Switzerland, will help prevent further market fragmentation and reduce the costs associated with misalignment in global financial markets.

LINK	PR_COD_1app
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 9 April 2025, the European Commission published an AI Continent action plan		

SUMMARY/ MAIN POINTS

The AI continent action plan comprehends the following five key pillars:

- Building large-scale AI computing infrastructure: Establishing a network of at least 13 "AI Factories" across Europe to support startups, industry, and researchers;
- Increasing access to high-quality data: A "Data Union Strategy" will be launched to foster a true internal market for data, enabling the scaling up of AI development across the EU;
- Promoting AI adoption in strategic sectors: Introducing the "Apply AI Strategy" to boost the use of AI in industries and both public and private sectors;
- Strengthening AI skills and talent: Facilitating international recruitment of AI researchers and experts and launching educational and training programmes on AI and generative AI to train specialists and support workers upskilling;
- Simplifying the implementation of the AI act: Launching the "AI Act Service Desk" to assist businesses in complying with the AI Act and for information and guidance.

LINK	AI continent - European Commission
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 9 April 2025, ESMA published the final report on the outcome of its Common Supervisory Action on ESG disclosures under the Benchmarks Regulation (BMR)		

SUMMARY/ MAIN POINTS

The Common Supervisory Action on ESG disclosures under the Benchmarks Regulation (BMR) took place in 2024 and, in light of the findings, ESMA (European Securities and Markets Authority) published a final report.

This report provides clarifications of expectations for administrators as well as guidance on the definitions and methodology used for the calculation of the ESG factors.

The report includes a recommendation to benchmarks administrators with the objective to enhance transparency and comparability of ESG information for the benefit of users of benchmarks.

It also includes recommendations to the European Commission for potential amendments to BMR Level 2 measures, including streamlining the ESG disclosure.

LINK	ESMA makes recommendations to simplify ESG disclosure rules for benchmarks administrators
ENTRY INTO APPLICATION	**N/A**

<table>
<tr><th>SCOPE</th><th>LEVEL OF IMPACT</th><th colspan="2">APPLICABLE TO</th></tr>
<tr><td>On 9 April 2025 a draft law on the implementation of certain provisions of the AI Act was published</td><td></td><td colspan="2"></td></tr>
<tr><th colspan="4">SUMMARY/ MAIN POINTS</th></tr>
<tr><td colspan="4">Luxembourg Bill No. 8476 is the first Bill proposing a draft law on the national implementation of the EU Artificial intelligence Act (EU AI Act).

This Bill presents numerous proposals such as the establishment of regulatory sandboxes, i.e. a framework to facilitate the development, testing and validation of AI systems before they are placed on the market, designation of national authorities responsible for applying and monitoring the AI Act, which is very important when it comes to the promotion of innovation and providing adequate support for businesses.

In this context, the National Commission for Data Protection (CNPD) is designated as the market surveillance authority for high-risk AI systems in law enforcement.</td></tr>
<tr><th>LINK</th><td colspan="3">News - Chamber of Commerce Luxembourg</td></tr>
<tr><th>ENTRY INTO APPLICATION</th><td colspan="3">N/A</td></tr>
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SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 9 April 2025 the CSSF published an announcement with the Definition of "ICT services" under DORA / New forms for ICT-third party arrangements / ICT outsourcing arrangements		

SUMMARY/ MAIN POINTS

The CSSF draws attention for the definition of the types of services that should be considered "ICT services" based on the definition of DORA Article 3(21).

The answer provided by the European Commission confirmed that the definition of "ICT services" intentionally maintains a broad scope and provides further clarifications.

The CSSF clarifies that financial services provided by professionals of the financial sector other than those covered by Articles 29-3 to 29-6 of the Law of the Financial Sector of 5 April 1993 are not to be considered an ICT service within the meaning of DORA.

On the contrary, services offered by professionals of the financial sector which are covered by Articles 29-3 to 29-6 of the LFS, considering the nature of these services, must be considered as an ICT service in the meaning of DORA Article 3(21) in all cases, even though they are provided by a regulated financial entity.

LINK	Definition of "ICT services" under DORA | New forms for ICT-third party arrangements / ICT outsourcing arrangements – CSSF
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 9 April 2025 the CSSF published a new notification form for financial entities subject to DORA to notify the CSSF		

SUMMARY/ MAIN POINTS
The CSSF draws attention for the definition of the types of services that should be considered "ICT services" based on the definition of DORA Article 3(21). The answer provided by the European Commission confirmed that the definition of "ICT services" intentionally maintains a broad scope and provides further clarifications. The CSSF clarifies that financial services provided by professionals of the financial sector other than those covered by Articles 29-3 to 29-6 of the Law of the Financial Sector of 5 April 1993 are not to be considered an ICT service within the meaning of DORA. On the contrary, services offered by professionals of the financial sector which are covered by Articles 29-3 to 29-6 of the LFS, considering the nature of these services, must be considered as an ICT service in the meaning of DORA Article 3(21) in all cases, even though they are provided by a regulated financial entity.

LINK	Form_ICT_TPP_notification_under_DORA.docx
ENTRY INTO APPLICATION	**Already in application** (transitional period until 10 May 2025)

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 9 April 2025 the CSSF published Circular CSSF 25/880 on relationship management of payment service users and PSP ICT assessment		

SUMMARY/ MAIN POINTS

EBA Guidelines focus on enhancing the relationship between PSPs and PSUs, emphasizing the importance of clear communication regarding security risks and functionalities of payment services.

To address the specific needs of Payment Service Providers (PSPs), the CSSF has issued Circular CSSF 25/880 on relationship management of payment service users and PSP ICT assessment. This new circular:

- Implements EBA Guidelines 2025/02 on ICT and security risk management.
- Applies to all PSPs under the Law of 10 November 2009 on payment services, including branches of third-country PSPs and POST Luxembourg.
- Covers aspects such as relationship management with payment service users and PSP ICT assessments.

Removal of certain provisions:

- Guideline 3.8 on relationship management of payment service users.
- Section 4 related to PSP ICT assessments.

LINK	Circular CSSF 25/880
ENTRY INTO APPLICATION	**Already in application**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 9 April 2025 the CSSF published Circular CSSF 25/881 amending Circular CSSF 20/750 on requirements regarding information and communication technology (ICT) and security risk management		

SUMMARY/ MAIN POINTS
The amended Circular CSSF 20/750 now applies exclusively to entities not covered by DORA ("non-DORA entities"). This includes: • Entities supervised by the CSSF that are not classified as financial entities under Article 2 of DORA (and, therefore, not subject to DORA requirements); • Entities providing payment services, such as POST Luxembourg and branches of third-country PSPs in Luxembourg.

LINK	Circular CSSF 25/811
ENTRY INTO APPLICATION	**Already in application**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 9 April 2025 the CSSF published Circular CSSF 25/882 on requirements on the use of ICT third-party services for Financial Entities subject to the Digital Operational Resilience Act (DORA)		

SUMMARY/ MAIN POINTS

The CSSF published Circular CSSF 25/882 on requirements on the use of ICT third-party services for Financial Entities subject to the Digital Operational Resilience Act (DORA). It lays out some key requirements regarding:

- Notification of the use of a third-party for ICT operation services/ ICT Service Arrangements that support critical or important functions;
- Register of ICT Third-Party Arrangements;
- Cloud computing services.

LINK	25/882
ENTRY INTO APPLICATION	**Already in application**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 9 April 2025 the CSSF published Circular CSSF 25/883 amending Circular CSSF 22/806 on outsourcing arrangements		

SUMMARY/ MAIN POINTS

Here are the key amendments:

- **Introduction has been modified to reflect the entry in application of DORA**
- **Scope of Application:**
  - Entities under DORA: For financial entities defined in Article 2 of DORA and supervised by the CSSF, Circular CSSF 22/806 applies as follows:
    - **Part I**: Remains applicable for non-ICT outsourcing arrangements.
    - **Part II**: Does not apply to ICT outsourcing arrangements anymore as these are now governed by DORA and Circular CSSF 25/882.
  - Entities not under DORA: For entities not falling under DORA, Circular CSSF 22/806 continues to apply in full for all outsourcing arrangements.
  - Management Companies under Article 125-1 of Chapter 16 of the UCITS Law: These entities are not within DORA's scope; therefore, Circular CSSF 22/806 remains applicable in full when performing ICT outsourcing.

LINK	Circular CSSF 25/883
ENTRY INTO APPLICATION	**Already in application**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 14 April 2025 the European Council adopts rules to extend cooperation and information exchange between tax authorities to minimum effective corporate taxation		

SUMMARY/ MAIN POINTS
The Council of the European Union adopted a Directive (DAC9) that will extend cooperation and information exchange between Member States (using a standardised template) and ensure minimum effective corporate taxation while putting into operation the provisions of the Pillar 2 Directive that implemented G20/OECD global agreement on international tax reform in the EU. It establishes more transparency and simplified reporting requirements for large corporations by enabling central filing a top-up tax information return (TTIR) By aligning with OECD standards and facilitating automatic information exchange, DAC9 seeks to reduce the administrative burden on businesses and improve tax compliance across Member States. Member States will have to adopt and publish the laws, regulations and administrative provisions necessary to comply with this directive until 31 December 2025 (including those that have opted to defer implementation of Pillar 2 under Article 50 of the EU minimum tax Directive). The first top-up tax reporting is due by 30 June 2026.

LINK	Council adopts rules to extend cooperation and information exchange between tax authorities to minimum effective corporate taxation - Consilium
ENTRY INTO APPLICATION	**31 December 2025**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 14 April 2025 the FCA published the Regulatory Initiatives Grid		

SUMMARY/ MAIN POINTS

The Regulatory Initiatives Grid establishes the regulatory initiatives for the next 24 months, amongst the following:

- New guidelines concerning the liquidity risk management to funds, in order to implement FSB and IOSCO guidelines;
- Repeal and replace of the Alternative Investment Fund Managers Directive (AIFMD), making it more streamlined and tailored to UK markets;
- Incident and Outsourcing and Third Party Reporting, introducing clarity regarding the information firms should submit when operational incidents occur and to collect certain information on firms' outsourcing and third party arrangements in order to manage the risks they may present to the PRA/FCA's objectives, including resilience, concentration and competition risks;
- Sustainability Disclosure Requirements (SDR) and investment labels;
- Prospectus Regime Reform in order to make it simpler, more agile, and more effective, replacing the Prospectus Regulation inherited from the EU.

The FCA is aiming to publish final rules and policy statements in summer 2025 to take effect in early 2026.

LINK	Regulatory Initiatives Grid | FCA
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 15 April 2025 ESMA published two reports, a draft regarding the RTS and the final guidelines on LMTs under the AIFMD and UCITS Directive		

SUMMARY/ MAIN POINTS
ESMA published two reports, a draft regarding the regulatory technical standards (RTS) and the final guidelines on liquidity management tools (LMTs) under the AIFMD and UCITS Directive. The draft RTS further clarifies aspects of LMTs such as the use of side pockets, which is a practice that currently varies significantly across the EU, while defining characteristics, calculation methodologies, and activation mechanisms of various LMTs. This will provide fund managers with standardized tools to manage liquidity risk effectively. ESMA has submitted the final draft RTS to the European Commission for endorsement, which will have three months to decide whether to adopt them. The guidelines will apply on the date of entry into force of the RTS, and funds existing before then will have 12 months to comply.

LINK	ESMA publishes implementing rules on Liquidity Management Tools for funds Final Report on the Guidelines on LMTs of UCITS and open-ended AIFs
ENTRY INTO APPLICATION	**Date of entry in force of the RTS**

<table>
<tr><th>SCOPE</th><th>LEVEL OF IMPACT</th><th colspan="2">APPLICABLE TO</th></tr>
<tr><td>On 15 April 2025 the European Commission has launched a targeted consultation to gather stakeholder feedback on obstacles to financial market integration across the EU</td><td></td><td colspan="2"></td></tr>
<tr><th colspan="4">SUMMARY/ MAIN POINTS</th></tr>
<tr><td colspan="4">This initiative is part of the Savings and Investments Union (SIU) strategy, adopted on 19 March 2025, aimed at enhancing the EU economy by improving how the financial system mobilises savings towards productive investment.

The Consultation is divided in several sections, including:

• Simplification and burden reduction
• Trading
• Post-trading
• Horizontal barriers to trading and post-trading infrastructures
• Asset management and funds
• Supervision
• Horizontal questions on the supervisory framework

The main purpose is to identify barriers, simplify the regulations and enhance supervision to ensure consistent enforcement across the EU.</td></tr>
<tr><th>LINK</th><td colspan="3">Targeted consultation on integration of EU capital markets 2025 - European Commission</td></tr>
<tr><th>ENTRY INTO APPLICATION</th><td colspan="3">N/A</td></tr>
</table>

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements		

SUMMARY/ MAIN POINTS

On the 16th April, a Directive was published (Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025) amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements.

The adjustments are part of the European Commission's broader effort to streamline and simplify EU legislation.

The Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 31 December 2025 (which is already in force).

LINK	Directive - EU - 2025/794 - EN - EUR-Lex
ENTRY INTO APPLICATION	**Already in application**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 16 April 2025 the CSSF published Circular CSSF 25/884		

SUMMARY/ MAIN POINTS
The CSSF published a Circular 25/884, which provides guidance on the application of the European Banking Authority (EBA) Guidelines on sound remuneration policies under Directive (EU) 2019/2034 (EBA/GL/2021/13). This circular outlines the remuneration requirements for investment firms in Luxembourg, distinguishing between "non-SNI IFR investment firms" (Class 2 IFs) and "small and non-interconnected investment firms" (SNI IFR investment firms or Class 3 IFs). The non-SNI IFR investment firms (Class 2 IFs) are required to comply with these Guidelines while the SNI IFR investment firms (Class 3 IFs) continue to adhere to the provisions of CSSF Circular 10/437. The circular applies immediately to non-SNI IFR investment firms as defined in Article 1, point (9a-2) of the amended Law of 5 April 1993 on the financial sector (LFS).

LINK	Circular CSSF 25/884 – CSSF
ENTRY INTO APPLICATION	**Already in application**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 17 April 2025 the Central Bank of Ireland published the 42nd Edition of the UCITS Q&A		

SUMMARY/ MAIN POINTS
The Central Bank published the 42nd Edition of the UCITS Q&A, which revises QA ID 1012 to encompass changes to ETF portfolio transparency. This Q&A covers investments in open-ended non-UCITS investment funds, implementation of ESMA guidelines on ETFs and other UCITS issues, Permitted markets for UCITS, Master-Feeder UCITS, UCITS ETF, KIID filings and implementation of ESMA's Performance Fee Guidelines, UCITS ICAV, UCITS Depositaries, US bank holding companies, Closed ended funds, Depositary obligations, Disclosures in annual and half-yearly reports, Investment restrictions, Prospectus disclosures, UCITS Management Companies, Central Bank (UCITS) Regulations, and others.

LINK	Regulatory Requirements and Guidance for UCITS | Central Bank of Ireland 42nd Edition UCITS QA
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 23 April 2025 the CSSF published FAQ on national reporting B4.5 and B4.6		

SUMMARY/ MAIN POINTS

The CSSF published FAQ on national reporting B4.5 and B4.6 which provides guidance for credit institutions on submitting their national report B4.5 (Analysis of shareholdings) and B4.6 (Persons responsible for certain functions and activities). Here are some key points:

- **Submission Methods:** via the eDesk Portal or an API-based S3 submission.
- **Reporting Frequency:** at least yearly with data reflecting the situation as of 31 December of the reference year (calendar year) by the 20th of January of the following year.
- **Correction of errors:** if errors are identified after submission, entities should correct them and submit an updated report.
- **Reporting of changes during the year:** changes should be reported promptly.
- **No changes between submissions**: entities should still submit a report indicating "no changes."

LINK	National reporting B4.5 and B4.6
ENTRY INTO APPLICATION	**N/A**

<table>
<tr><th>SCOPE</th><th>LEVEL OF IMPACT</th><th colspan="2">APPLICABLE TO</th></tr>
<tr><td>On 24 April 2025 the FCA published a Consultation Paper on the definition of capital for FCA Investment Firms (CP25/10)</td><td></td><td colspan="2"></td></tr>
<tr><th colspan="4">SUMMARY/ MAIN POINTS</th></tr>
<tr><td colspan="4">The main purpose is to remove all references to the UK Capital Requirements Regulation (UK CRR) from the definition of regulatory capital, also known as own funds, that applies to FCA investment firms within MIFIDPRU 3 as the FCA considers many of these requirements to be unnecessarily complex for FCA investment firms as they were designed for banks’ more complex capital structures.

The proposals focus on simplifying rules, removing irrelevant provisions and improving clarity, reducing the volume of legal text by approximately 70% and is applicable to:
• MIFIDPRU investment firms;
• UK parent entities that are required to comply with MIFIDPRU 3 on the basis of their consolidated situation;
• Parent undertakings subject to the Group Capital Test.</td></tr>
<tr><th>LINK</th><td colspan="3">CP25/10: Definition of capital for FCA investment firms | FCA</td></tr>
<tr><th>ENTRY INTO APPLICATION</th><td colspan="3">N/A</td></tr>
</table>

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 24 April 2025 the Central Bank of Ireland published the operational and technical arrangements for submitting transaction reports under MiFIR		

SUMMARY/ MAIN POINTS

The Central Bank of Ireland published the operational and technical arrangements for submitting transaction reports under MiFIR to the Central Bank of Ireland systems. It should be read in conjunction with the Reporting Instructions.

Also, the CBI also published a User Procedure Document.

LINK	Operational and Technical Arrangements 24 April 2025 ONR MiFIR Transaction Reporting User Procedure 24 April 2025
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 28 April 2025 the Central Bank of Ireland published a FAQ regarding "Bond prospectus approvals"		

SUMMARY/ MAIN POINTS
The CBI published a FAQ regarding "Bond prospectus approvals" that clarifies what is a bond prospectus, what is the Central Bank's role in relation to a bond prospectus, who does the Central Bank approve bond prospectuses for, when can the Central Bank not approve a bond prospectus, amongst other relevant aspects.

LINK	FAQ - Bond prospectus approvals by the Central Bank of Ireland | Central Bank of Ireland
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 28 April 2025 the Central Bank of Ireland published a series of Regulatory Reporting Requirements		

SUMMARY/ MAIN POINTS
The Central Bank of Ireland published AIF Management Companies Regulatory Reporting Requirements, Depositary Regulatory Reporting Requirements, Fund Administrators Regulatory Reporting Requirements and UCITS Management Companies Regulatory Reporting Requirements.

LINK	AIF Management Companies Reporting Requireme Depositary Reporting Requirements Reporting Requirements for Fund Administrators UCITS Management Companies Reporting Requirements Update
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 29 April 2025 ESMA published guidelines on supervisory practices to prevent and detect market abuse under MiCA		

SUMMARY/ MAIN POINTS
The European Securities and Markets Authority (ESMA) published guidelines on supervisory practices to prevent and detect market abuse under the Market in Crypto Assets Regulation (MiCA). Based on ESMA's experience under Market Abuse Regulation (MAR), the guidelines intended for National Competent Authorities (NCAs) include general principles for effective supervision and specific practices for detecting and preventing market abuse in crypto assets. They consider the unique features of crypto trading, such as its cross-border nature and the intensive use of social media. The guidelines set out general principles requiring supervisory activity to be risk-based and proportionate, and set the objective for NCAs to build a common supervisory culture specific for crypto assets through an open dialogue with the industry and interactions with other NCAs. The guidelines aim to support consistent and efficient supervisory practices among NCAs, ensuring a common supervisory culture for crypto assets.

LINK	ESMA issues supervisory guidelines to prevent market abuse under MiCA
ENTRY INTO APPLICATION	**N/A**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 30 April 2025 the CSSF published Circular CSSF 25/885		

SUMMARY/ MAIN POINTS

The CSSF published Circular CSSF 25/885, regarding the application of the Guidelines of the European Banking Authority on templates to assist competent authorities in performing their supervisory duties regarding issuers' compliance under Titles III and IV of Regulation (EU) 2023/1114 (EBA/GL/2024/16).

Circular CSSF 25/878 applies to issuers of ARTs and EMTs as defined in points (6) and (7) of Article 3(1) of MiCAR.

Key points:

- **Purpose**: The circular aims to enhance transparency and regulatory oversight of significant holdings in non-listed companies, ensuring that the CSSF is informed of changes that may affect the control over such entities
- **Notification Requirements**: AIFMs and UCITS management companies must notify the CSSF when they acquire or dispose of qualifying holdings in non-listed companies. The notification must include detailed information about the transaction, the identity of the acquiring or disposing party and the impact on the holding's percentage
- **Timing**: Notifications must be submitted to the CSSF promptly after the transaction, in accordance with the timelines specified in the AIFM Law

LINK	Circular CSSF 25/885 – CSSF
ENTRY INTO APPLICATION	**26 May 2025**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 30 April 2025 the CSSF published Circular CSSF 25/886		

SUMMARY/ MAIN POINTS

The CSSF published Circular CSSF 25/886, regarding the application of the Guidelines of the European Securities and Markets Authority on the conditions and criteria for the qualification of crypto-assets as financial instruments (ESMA75453128700-1323).

This Circular applies to all financial market participants.

Key points:

- **Purpose:** The Circular aims to promote supervisory convergence across the European Union, aligning Luxembourg's regulatory approach with broader EU standards.
- **Guidelines Overview:** The ESMA Guidelines specify conditions and criteria for classifying crypto-assets as financial instruments. They aim to ensure consistent application of MiCAR provisions and provide clarity on features of utility tokens, non-fungible tokens (NFTs) and hybrid tokens.
- **Case-by-Case Assessment:** the guidelines emphasize the necessity of a comprehensive case-by-case analysis to determine the classification of a crypto-asset.

LINK	Circular CSSF 25/886 – CSSF
ENTRY INTO APPLICATION	**18 May 2025**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 30 April 2025 the CSSF published Circular CSSF 25/887		

SUMMARY/ MAIN POINTS

The CSSF published Circular CSSF 25/887, regarding the application of the Guidelines of the European Securities and Markets Authority 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 (ESMA35-1872330276-2030).

This Circular applies to all third-country firms, defined as firms that would be subject to Article 59 of Regulation (EU) 2023/1114 ("MiCAR"), if their head office or registered office were located within the European Union.

Key points:

- **Purpose**: The ESMA Guidelines aim to ensure the common, uniform, and consistent application of the provisions in Article 61 of MiCAR, particularly concerning situations where a third-country firm is deemed to solicit clients in the EU.
- **Supervision Practices:** The Guidelines promote certain supervision practices to detect and prevent the circumvention of MiCAR's reverse solicitation exemption.

LINK	Circular CSSF 25/887 – CSSF
ENTRY INTO APPLICATION	**Already in application**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 30 April 2025 the CSSF published Circular CSSF 25/888		

SUMMARY/ MAIN POINTS

The CSSF published Circular CSSF 25/888, regarding the application of the Guidelines Application of the Guidelines of the European Securities and Markets Authority on the procedures and policies, including the rights of clients, in the context of transfer services for crypto-assets under the Markets in Crypto Assets Regulation on investor protection (ESMA35-1872330276-2032).

This Circular applies to crypto-asset service providers that act as providers of transfer services for crypto-assets on behalf of clients within the meaning of Article 3(1)(26) of MICAR.

Guidelines Overview: The ESMA Guidelines establish consistent, efficient, and effective supervisory practices within the European System of Financial Supervision. They aim to ensure the common, uniform, and consistent application of the provisions in Article 82 of MiCAR, particularly concerning procedures and policies, including client rights, in the context of transfer services for crypto-assets.

LINK	Circular CSSF 25/888 – CSSF
ENTRY INTO APPLICATION	**Already in application**

<table>
<tr><th>SCOPE</th><th>LEVEL OF IMPACT</th><th>APPLICABLE TO</th></tr>
<tr><td>On 30 April 2025 the CSSF published Circular CSSF 25/889</td><td></td><td></td></tr>
</table>

<table>
<tr><th colspan="2">SUMMARY/ MAIN POINTS</th></tr>
<tr><td colspan="2">
The CSSF published Circular CSSF 25/889, regarding the application of the Guidelines of the European Securities and Markets Authority on the specification of Union standards for the maintenance of systems and security access protocols for offerors and persons seeking admission to trading of crypto-assets other than asset referenced tokens and e-money tokens (ESMA75-223375936-6132).

This Circular applies to offerors and persons seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens, as defined in Articles 3(1)(13), 3(1)(6), and 3(1)(7) of Regulation (EU) 2023/1114 (Markets in Crypto-Assets Regulation - MiCAR).

Key points:
• Purpose: The CSSF seeks to enhance supervisory convergence across the European Union, aligning Luxembourg's regulatory approach with broader EU standards.
• Guidelines Overview: The ESMA Guidelines specify Union standards for the maintenance of systems and security access protocols, including policies and procedures. They aim to promote greater convergence in the interpretation and application of MiCAR provisions applicable to offerors and persons seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens.
</td></tr>
<tr><th>LINK</th><td>Circular CSSF 25/889 – CSSF</td></tr>
<tr><th>ENTRY INTO APPLICATION</th><td>Already in application</td></tr>
</table>

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
On 30 April 2025 the CSSF published Circular CSSF 25/890		

SUMMARY/ MAIN POINTS
The CSSF published Circular CSSF 25/890, regarding the application of the joint ESA Guidelines on templates for explanations and opinions, and the standardised test for crypto-assets, under Article 97(1) of Regulation (EU) 2023/1114 (JC 2024 28). This Circular applies to offerors, persons seeking admission to trading, or operators of trading platforms for a cryptoasset other than an asset-referenced token ("ART") or an electronic money token ("EMT"); credit institutions intending to offer to the public or seek admission to trading of an ART; legal persons or other undertakings that are not credit institutions intending to offer to the public or seek admission to trading of an ART; persons intending to carry out, or carrying out, crypto-asset services within the scope of Regulation (EU) 2023/11141 ("MiCAR"). The ESAs' Guidelines establish the content and form of the explanation and legal opinion required under MiCAR and a common approach for the regulatory classification of crypto-assets under MiCAR.

LINK	Circular CSSF 25/890 – CSSF
ENTRY INTO APPLICATION	**12 May 2025**

SCOPE	LEVEL OF IMPACT	APPLICABLE TO
SANCTIONS		 

SUMMARY/ MAIN POINTS

There was a serious of updates regarding Regulations concerning sanctions:

- Corrigendum to Council Implementing Regulation (EU) 2024/1517 of 27 May 2024 implementing Regulation (EU) No 36/2012 concerning restrictive measures in view of the situation in Syria (OJ L, 2024/1517, 28.5.2024)
- Council Implementing Regulation (EU) 2025/701 of 7 April 2025 implementing Regulation (EU) 2025/395 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia’s actions destabilising the situation in Ukraine
- Council Implementing Regulation (EU) 2025/776 of 14 April 2025 implementing Regulation (EU) No 359/2011 concerning restrictive measures directed against certain persons, entities and bodies in view of the situation in Iran
- Council Regulation (EU) 2025/813 of 25 April 2025 amending Regulation (EU) 2016/44 concerning restrictive measures in view of the situation in Libya
- Council Implementing Regulation (EU) 2025/817 of 25 April 2025 implementing Regulation (EU) 2023/888 concerning restrictive measures in view of actions destabilising the Republic of Moldova
- Council Implementing Regulation (EU) 2025/822 of 25 April 2025 implementing Regulation (EU) No 401/2013 concerning restrictive measures in view of the situation in Myanmar/Burma
- UK bolsters support for Syrian people by amending Syria sanctions - GOV.UK

Updated sanctions list:

- EU Sanctions Map / Entities | EU sanctions tracker
- The UK Sanctions List - GOV.UK

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