



FS Club Events



An Update On EU Financial Services Regulatory Agenda

Dr David Doyle

11:00, Tuesday, 13 January 2026



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A Word From Our Chairman



Mike Wardle

Chief Executive Officer
Z/Yen Group



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Today's Agenda

- 11:00 - 11:05 Chairman's Introduction
- 11:05 - 11:25 Keynote Presentation - Dr David Doyle
- 11:25 - 11:45 Question & Answer



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Today's Speaker



Dr David Doyle

Board Member, Kangaroo Group (EU Parliament)

Board Member, The Genesis Initiative (Westminster, UK)

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EU asserts 'Simplification' in pursuit of a game-changing and competitive-led regulatory framework



- **EU structural challenges:** fragmented infrastructure, rigid labour markets, less supportive capital markets Vs USA
- **Mario Draghi's 2024 report on the future of European competitiveness**
 - reduce the innovation gap, link-up decarbonization and competitiveness agenda, decrease EU dependence on third countries + reduce the EU cross-border regulatory frictions for investments and capital
- **Deregulation goes global:** US reduces economically-significant new rules by 50% in 2025 Vs 2024, and the EU "Silicon Valley of Regulation" by 25%. But, deregulation culture gaining traction into 2026...
- **Stalling the Basle III end game**
 - US promoting banks leveraged lending via reduced capital charges and weakening leverage rules/"GSIB surcharge" applied to the largest global banks, and a [redo](#) of Basel III Endgame requirements.
 - UK reduced by 1% system-wide bank capital requirements and reviewing leverage ratio.
 - EU seeks regulatory alignment with US/UK, i.e., EC delayed implementation of key parts of FRTB trading rules until 2027, plus targeted amendments



Simplifying the capital rules for banks operating in the EU – a slow process but coming soon!

- **European Central Bank [Recommendations of the Governing Council's High-Level Task Force on Simplification](#) (2025):** simplify the EU regulatory, supervisory and reporting framework presented to the EC:
- **reducing the number of elements in the risk-weighted and leverage ratio framework**
- **introducing a materially simpler prudential regime for smaller banks, which expands on the existing EU regime**
- **introducing a European governance mechanism that takes a holistic view of the overall level of capital**
- **finalising the savings and investment union – including completion of the banking union – to foster cross-border integration and allow for more efficient capital markets**





Slashing ESG disclosures and reporting requirements – the EU Omnibus proposals (2025)

❑ EC plans to slash the number of companies from 50,000 to 2,000 subject to:

- **Sustainable Finance Disclosure Regulation**
- **Corporate Sustainability Reporting Directive**
- **Corporate Sustainability Due Diligence Directive**

Companies covered	
Net Turnover generated in the EU	+€1.5bn
Number of employees	+ 5,000

- **EU delays CSRD reporting for non-EU companies to 2027**
- CSRD reporting requirements: removing 80% of companies from the scope and “substantially reduces the number of data points reporting firms would have to collect”





Substantive changes under the EU Market Integration and Supervision Package (December 2025)

- Creation of Pan-European Market Operator (PEMO) status – one powerful single ESMA licence to operate across the EU (trading & market structures), incld via a branch
- ESMA new powers over significant trading venues, all PEMOs, CASPs
- Intra-group resource/function allocation no longer treated as “outsourcing” or delegation of portfolio management, IT, etc - location in EU not a compliance factor
- Cross-border marketing regime brought under CBDR, with ESMA resolving NCA disputes
- Marketing communications rules centralised, using uniform templates, fewer NCA checks
- Introduction of EU-wide depository passport for UCITs and AIFs (banks + investment firms)
- Removes UCITs KIID obligation – a PRIIPS KID already exists !
- ESMA to conduct recurring review framework of largest cross-border asset management groups [+€300bn AUM] to correct divergent/duplicative/redundant supervisory approaches

...targets barriers to cross-border trading, investment & capital, delegation, depositories, CASPs...



New EU AML Authority – migrating to a centralized supervisory architecture – from 2027

Creation of new EU anti-money laundering authority

- ❑ Oversight powers over 40 most high-risk financial entities with group-wide, consolidated compliance oversight
- ❑ Coordination and oversight of national AML supervisors of the financial sector
- ❑ Extending AML monitoring to the non-financial private sector, via oversight of national AML supervisors
- ❑ Introduces measures for 3rd-countries whose AML/CFT policies pose a risk to EU financial stability to the EU
- ❑ Reduced oversight role by NCA's and the EBA



Categories of 'obliged entities' to be monitored/supervised:

- credit institutions
- bureaux de change
- collective investment undertakings
- credit providers other than credit institutions
- e-money institutions
- investment firms
- payments service providers
- life insurance undertakings
- life insurance intermediaries
- crypto-asset service providers
- Crowd-funding platforms



AMLA to assess 'risk factors' by category:

- Customer
- Products
- Services
- Transactions
- Delivery channels
- Geographical areas

3 categories of high-risk financial entities to be targeted:

- High-risk cross-border credit and financial institutions with activity in a significant number of Member States, selected periodically
- In exceptional cases, any entity whose serious, systematic or repeated breaches of applicable requirements are not sufficiently or in a timely manner addressed by its national supervisor.
- Directly supervise at least one entity in each Member State.



Regulating the private credit and non-bank financial institutions (NBFI) space – quo vadis?

- ❑ **NBFI now account for more than 50% of global financial assets: \$256.8tn (FSB)**
- ❑ **“Vulnerabilities related to leverage maturity and liquidity mismatches can amplify shocks in the financial system...severe limitations in the availability of data for private credit in statistical and regulatory reports...” (FSB, Dec 2025)**

- ❑ **EC/FSB/ECB potential measures:**
 - Swiftly implement agreed international FSB reforms to the NBFI regulatory framework, i.e., enhance the resilience of money market funds and address vulnerabilities from liquidity mismatch in open-ended funds.
 - Implement system-wide stress tests to identify and quantify risks across the bank-NBFI system.
 - Introduce effective oversight of NBFI's requires improved coordination between supervisory authorities and better access to data (in banks and NBFI's)
 - Increased complexity and diversified NBFI structures require joint activity-based and entity-based monitoring: *“allow regulators and supervisors to holistically assess and address risks wherever they arise, ensuring that the regulatory perimeter captures all relevant risks and remains adaptable to financial innovation”*
 - ECB: the correlation risk calls for review of banks' lending, trading and hedging arrangements with NBFI's

- ❑ **Money-market funds:** EC considering three potential areas for improvements:
 - evaluating the need to increase the liquidity buffers
 - decoupling the activation of LMTs from the liquidity buffers for stable Net Asset Value (NAV) MMFs
 - enhancing supervision, the stress testing framework, and reporting requirements.
 - empower NCAs to increase MMF liquidity buffers on an individual or collective basis to mitigate systemic risk and ensure market stability.





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Comments, Questions & Answers

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Forthcoming Events

- Wednesday, 28 January 2026 (18:00 - 20:00 GMT) Secret Alleys & Taverns Of The East Side Of The City Of London
- Thursday, 05 February 2026 (11:00 - 11:45 GMT) Financial Fluency For The Next Generation: Insights From PISA (With Carmine Di Noia)
- Thursday, 19 February 2026 (11:00 - 11:45 GMT) Why MAST Matters (With Jessica Berry & Giles Richardson)

Visit: <https://fsclub.zyen.com/events/forthcoming-events/>

Watch past webinars: <https://www.youtube.com/zyengroup>