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Funds and Investment Management News March 2025

Welcome to Clifford Chance's Funds and Investment Management News. This monthly update covers legal and regulatory developments from around the world in the funds and investment management sector, as well as our briefings and details of our conferences events and [Insights for Asset Managers webinar series](#).

If you would like to know more about a particular development, please get in touch with your usual Clifford Chance contact or any of our team listed at the end of this newsletter.

Further details and related resources, including [previous editions of this newsletter](#) and our [ESG newsletter](#), can be found on the [Clifford Chance Financial Markets Toolkit](#) and [Clifford Chance Funds and Investment Management page](#).

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Headlines

President Trump has issued an [Executive Order](#) to ensure Presidential supervision and control over all federal agencies, including independent regulatory agencies, except for the Federal Reserve's monetary policy functions.

The [Unauthorised Co-ownership Alternative Investment Funds \(Reserved Investor Fund\) Regulations 2025](#) (SI 2025/216) have been introduced to support the new UK-based Reserved Investor Fund.

The Financial Conduct Authority (FCA) has [published](#) a letter to Chief Executives setting out its current supervision priorities as regards its asset management and alternatives portfolio.

Table of contents

- [International developments](#)
 - [Developments in the United States of America](#)
 - [Developments in Europe](#)
 - [European Union](#)
 - [Germany](#)
 - [Italy](#)
 - [Luxembourg](#)
 - [UK](#)
 - [Clifford Chance publications](#)
 - [ESG Index](#)
 - [Contacts](#)
-

International

FSB launches thematic peer review on its global regulatory framework for cryptoasset activities

The Financial Stability Board (FSB) has launched a [peer review](#) on the implementation of its global regulatory framework for cryptoasset activities, including stablecoins. The review will assess progress in FSB member and select non-member jurisdictions and gather stakeholder feedback on regulatory impacts, challenges, and financial stability vulnerabilities. Comments are due by 28 March 2025.

[Back to top](#)

United States of America

President Trump issues Executive Order on supervision and control of regulatory agencies

President Trump has issued an [Executive Order](#) to ensure Presidential supervision and control over all federal agencies, including independent regulatory agencies, except for the Federal Reserve's monetary policy functions. The order mandates that all significant regulatory actions be reviewed by the Office of Information and Regulatory Affairs before publication. It also requires independent regulatory agency heads to coordinate with the Office of Management and Budget and other White House offices on policies and priorities.

SEC Commissioners revoke delegated authority to Director of Enforcement to launch investigations

The SEC has announced its [final rule](#) rescinding its delegation of authority to the Director of Enforcement to unilaterally open new investigations and issue subpoenas. This announcement ended the 15-year practice of delegation and was somewhat expected by industry, following longstanding

criticism that the agency has been "regulating by enforcement" rather than through rulemaking. As a result, the SEC's five commissioners effectively retain the sole authority to open new investigations and issue subpoenas.

SEC expected to see hundreds of employees leaving through buyout, retirement offers

Continuing the Trump administration's broader deregulatory agenda amid federal layoffs, hundreds of SEC staffers have agreed to **voluntarily leave** the agency. Roughly 12% (over 600) of the SEC's 5,000 person staff have accepted buyout or early retirement offers, which will significantly shrink the regulator and will likely hinder efforts to police the markets and protect investors.

[Back to top](#)

Europe

European Union

Taxonomy Regulation: EU Commission Notice setting out technical clarifications on Delegated Acts published in Official Journal

An EU Commission Notice providing technical clarifications in response to frequently asked questions (FAQs) on the technical screening criteria (TSC) set out in the Taxonomy Climate Delegated Act (including the amendments to the Taxonomy Climate Delegated Act) and the Taxonomy Environmental Delegated Act, as well as the disclosure obligations for the non-climate environmental objectives laid down in the amendments to the Taxonomy Disclosures Delegated Act, has been published in the Official Journal.

EU Commission adopts omnibus simplification packages on sustainability and EU investments

The EU Commission has **adopted** the first two omnibus packages of proposals intended to simplify EU rules and boost competitiveness and unlock additional investment capacity. In particular, the first two omnibus packages include a proposal for a Directive amending the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) and a proposal which postpones the application of all reporting requirements in the CSRD for companies that are due to report in 2026 and 2027 (wave 2 and 3 companies) and which postpones the transposition deadline and the first wave of application of the CSDDD by one year to 2028.

EU Parliament publishes draft report on boosting competitiveness and creating Capital Markets Union

The EU Parliament's ECON Committee has published a **draft report** on boosting European competitiveness and creating a Capital Markets Union. It calls for mobilising private and public investments, addressing the fragmented investment landscape, and ensuring regulatory stability. The report also highlights the need for improved access to venture capital, harmonised regulations, and enhanced supervision by ESMA, while proposing an EU investment savings account and a European Economic Intelligence Unit.

EU Commission seeks views on securitisation framework

The EU Commission has issued a **call for evidence** to evaluate the current Securitisation Framework. This evaluation aims to identify measures to remove barriers in the EU securitisation market and balance safety with growth. Comments are due by 19 March 2025.

Capital requirements: EBA consults on draft ITS specifying data collection for 2026 benchmarking exercise

The European Banking Authority (EBA) has [released](#) a consultation paper on draft implementing technical standards (ITS) for the 2026 benchmarking exercise under the Capital Requirements Directive (CRD4). Key changes include new templates for market risk to collect alternative internal model approach (AIMA) risk measures and expanding the scope to banks using the alternative standardised approach (ASA). Minor changes are proposed for the credit risk framework. Comments are due by 26 May 2025, with a public hearing on 10 April 2025.

ESMA provides overview of consultations planned for 2025

The European Securities and Markets Authority (ESMA) has [published](#) an overview table of the consultations it is planning to conduct in 2025, which is intended to help stakeholders to plan ahead. ESMA will update the table on a regular basis. A list of ongoing and past consultations is available on ESMA's website.

ESMA publishes letter on re-prioritisation of 2025 deliverables

ESMA has [written](#) to the EU Commission regarding the prioritisation of its 2025 deliverables. Citing resource constraints and new legal mandates, ESMA has decided to deprioritise or postpone certain tasks that were outlined in its 2025 Annual Work Programme, published in September 2024. This is intended to allow ESMA to focus on high-priority projects like EMIR 3, the MiFID/MiFIR Review, the Listing Act, the CSDR Review, the T+1 project, the AIFMD Review, and its new supervisory responsibilities in relation to consolidated tape providers, Green Bond verifiers and ESG rating providers, as well as its oversight powers under the Digital Operational Resilience Act (DORA).

ESMA publishes draft technical standards on CSDR Refit

The European Securities and Markets Authority (ESMA) has [published](#) three final reports on technical standards for the Central Securities Depositories Regulation (CSDR) Refit. These standards cover the review process of EU CSDs, criteria for substantial importance in host Member States, and notifications from third country CSDs. The reports have been submitted to the EU Commission for adoption.

MiCA: EU Commission adopts RTS on record-keeping and on conflicts of interest for CASPs and ART issuers

The EU Commission has adopted three Delegated Regulations setting out regulatory technical standards (RTS) under the Markets in Cryptoassets Regulation (MiCA) to specify that [records](#) are to be kept of all cryptoasset services, activities, orders and transactions undertaken (C(2025)1206), the [requirements](#) for policies and procedures on conflicts of interest for cryptoasset service providers and the details and methodology for the content of disclosures on conflicts of interest (C(2025)1216) and the [requirements](#) for policies and procedures on conflicts of interest for issuers of asset-referenced tokens (C(2025)1220).

MiCA: RTS and ITS on information to be included in notification of intention to provide cryptoasset services published in Official Journal

[Commission Delegated Regulation \(EU\) 2025/303](#) and [Commission Implementing Regulation \(EU\) 2025/304](#), detailing technical standards for notifications of intent to provide cryptoasset services under MiCA, have been published in the Official Journal. The RTS outline the required information for

notifications, while the ITS provide standard forms and procedures. Both regulations will enter into force on 12 March 2025.

MiCA: EU Commission adopts RTS on record-keeping and on conflicts of interest for CASPs and ART issuers

The EU Commission has adopted three Delegated Regulations under the Markets in Cryptoassets Regulation (MiCA). These regulations specify the records to be kept for all cryptoasset services and transactions (C(2025)1206), the requirements for conflict of interest policies for cryptoasset service providers and disclosure details (C(2025)1216), and the requirements for conflict of interest policies for issuers of asset-referenced tokens (C(2025)1220).

MiCA: EBA responds to EU Commission's partial rejection of draft RTS on authorisation for ART issuers

The European Banking Authority (EBA) has published an [opinion](#) accepting the EU Commission's proposed changes to its draft regulatory technical standards (RTS) for asset-referenced tokens (ARTs) under the Markets in Cryptoassets Regulation (MiCA). The EBA agrees with the substantive changes but also suggests amending the Level 1 text to include elements from the original draft RTS, such as market abuse policy requirements, independent third-party audits of the issuer's proprietary DLT, and a comprehensive notion of good repute.

MiCA: ESMA publishes official translations of guidelines on cryptoasset classification

The European Supervisory Authorities (ESAs) have published the [official translations](#) of their guidelines on the regulatory classification of cryptoassets by industry and supervisors under the Markets in Cryptoassets Regulation (MiCA).

MiCA: ESMA publishes official translations of guidelines on conditions and criteria for qualification of cryptoassets as financial instruments

The European Securities and Markets Authority (ESMA) has published official translations of its [guidelines](#) for qualifying cryptoassets as financial instruments under the Markets in Cryptoassets Regulation (MiCA). These guidelines will be effective from 18 May 2025, and national competent authorities must inform ESMA of their compliance status with the joint guidelines.

MiCA: RTS on format of order book records and transparency for CASPs operating a trading platform published in Official Journal

The EU Commission has published Delegated Regulations (EU) [2025/416](#) and [2025/417](#) in the Official Journal, setting out regulatory technical standards (RTS) under the Markets in Cryptoassets Regulation (MiCA). Regulation 2025/416 specifies the content and format of order book records for cryptoasset service providers (CASPs), while Regulation 2025/417 outlines how CASPs should present transparency data. Both regulations will enter into force on 3 April 2025.

DORA: RTS and ITS on reporting major ICT-related incidents and notifying significant cyber threats published in Official Journal

[Commission Delegated Regulation \(EU\) 2025/301](#) and [Commission Implementing Regulation \(EU\) 2025/302](#), detailing standards for reporting major ICT-related incidents and notifying significant cyber threats under DORA, have been published. The RTS outline the content and timing for notifications and

reports, while the ITS provide standard forms and procedures. Both regulations will enter into force on 12 March 2025.

[Back to top](#)

Germany

BaFin consults on circular on obligations of depositary and capital management company of investment funds investing in cryptoassets

The German Federal Financial Supervisory Authority (BaFin) has launched a [consultation](#) on a draft circular regarding the obligations of depositaries and capital management companies of investment funds investing in cryptoassets. This follows the Future Financing Act, which allows various retail AIFs to invest directly in cryptoassets and crypto securities. The draft circular aims to provide minimum regulatory requirements for these investments, addressing new technical and regulatory challenges. Comments are due by 31 March 2025.

BaFin consults on guidance regarding scope of permitted influence by investors on investment funds

The German Federal Financial Supervisory Authority (BaFin) has launched a [consultation](#) on a draft guidance note regarding the permissible influence of investors on managed investment funds. The note outlines the regulatory limits on investor influence over investment decisions, ensuring asset management companies retain control as mandated by section 17 of the German Investment Act (KAGB). Comments are due by 31 March 2025 and will be published on BaFin's website.

[Back to top](#)

Italy

Bank of Italy updates its rules on supervisory reporting for collective investment schemes

The Bank of Italy has [announced](#) the 24th update to its Circular No. 189, revising the statistical and supervisory reporting manual for collective investment schemes. The update incorporates new requirements from ECB Regulation (EU) 2024/1988 and Law No. 21/2024, simplifying rules for externally managed SICAVs and SICAFs. The circular now distinctly separates reporting schemes for money market mutual funds and money market SICAVs from other collective investment schemes.

[Back to top](#)

Luxembourg

MiCA: CSSF issues circulars on EBA and ESMA guidelines

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), has issued five circular letters on the application and integration of the following European Banking Authority (EBA) and European Securities and Markets Authority (ESMA) guidelines under the Markets in Cryptoassets Regulation (MiCA) into the CSSF's administrative and regulatory approach. These circulars cover governance arrangements for issuers of asset-referenced tokens, recovery plans, stress test scenarios for liquidity, suitability assessments for management and shareholders, and redemption plans.

CSSF publishes communiqué on major incident reporting under DORA

The Luxembourg financial sector supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), has issued a [communiqué](#) on the Digital Operational Resilience Act (DORA). The CSSF announced the postponement of the notification to financial entities regarding their obligation to report major incidents on weekends or bank holidays until the NIS 2 Directive is transposed at the national level. This notification was initially scheduled to occur before the end of February 2025.

CSSF publishes communiqué on the abolishment of the VISA "stamp" procedure for the prospectuses of UCITS, Part II UCIs, SICARs and SIFs

The CSSF announced that as of April 2025, a new "e-Identification" system with a unique identification number and an e-Identification date on the first page of every prospectus will replace the current VISA-stamp process for the prospectuses of UCITS, Part II UCIs, SICARs and SIFs. In this context, the CSSF published a list of amendments to the prospectus which do not legally require authorisation and prior review by the CSSF and which will be able to be integrated into the prospectus without prior CSSF approval (using the eDesk e-Identification Prospectus application).

[Back to top](#)

UK

Unauthorised Co-ownership Alternative Investment Funds (Reserved Investor Fund) Regulations 2025 made and laid

The [Unauthorised Co-ownership Alternative Investment Funds \(Reserved Investor Fund\) Regulations 2025](#) (SI 2025/216) have been introduced to support the new UK-based Reserved Investor Fund. This fund is structured as an unauthorised co-ownership alternative investment fund (AIF). The regulations ensure that investors have appropriate rights and liabilities and provide for contract making. They modify certain sections of the Financial Services and Markets Act 2000 to make the fund commercially viable. SI 2025/216 will come into force after the Co-ownership Contractual Schemes (Tax) Regulations 2025, pending parliamentary approval.

UK Government publishes draft SI to reform MiFID Org Reg

The UK Government has published a [near-final draft](#) of the Markets in Financial Instruments (Miscellaneous Amendments) Regulations 2025, aimed at reforming the MiFID Organisation Regulation (MiFID Org Reg). Announced at Mansion House 2024, the changes include revoking detailed firm-facing regulations within MiFID Org Reg and delegating them to the FCA and PRA rulebooks. HM Treasury plans to restate regulatory activity elements and revoke firm-facing provisions, aligning with the FCA and PRA's replacement rules expected in the second half of 2025. Technical comments are invited by 14 April 2024.

FCA publishes portfolio letter on asset management and alternatives

The Financial Conduct Authority (FCA) has [published](#) a letter to Chief Executives setting out its current supervision priorities as regards its asset management and alternatives portfolio. The letter sets out the FCA's key expectations in relation to the supervisory priorities of supporting confident investing in private markets, building firm and financial system resilience against market disruption and securing positive outcomes for consumers.

FCA releases statement on sustainability regulations and UK defence

The Financial Conduct Authority (FCA) has released a statement on its position on sustainability regulations and UK defence. The statement emphasises that the FCA's sustainability finance rules do not require financial institutions to treat defence companies differently because they are in the defence sector.

[Back to top](#)

Clifford Chance publications

- 21 March) - [Pendulum Swinging: Fourth Circuit For Now Reinstates Trump Administration's DE&I Executive Orders](#)
- (11 March) - [Liquidity solutions for private funds](#)
- (4 March) – [FCA vs PRA securitisation rules – tackling the unnecessary burden of dual compliance](#)
- (3 March)– [The EU Omnibus Package – Streamlining the EU carbon border adjustment mechanism](#)
- (28 February) - [Ukraine – the latest global sanctions and export controls](#) as at 6:30pm GMT, 27 February 2025
- (24 February) - [A Pause in the Pendulum Swing: Federal Judge Temporarily Blocks Key Provisions from President Trump's DE&I Executive Orders](#)
- (24 February) - [Executive order expands presidential power over independent regulatory agencies](#)
- (24 February) - [New Trump Policy Signals Significant Changes to CFIUS and the New Outbound Investment Security Program](#)

[Back to top](#)

ESG Index

- **EU:**
 - Taxonomy Regulation: EU Commission Notice setting out technical clarifications on Delegated Acts published in Official Journal
 - EU Commission adopts omnibus simplification packages on sustainability and EU investments
- **UK:**
 - [FCA releases statement on sustainability regulations and UK defence](#)

[Back to top](#)

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