



Regulatory Newsletter

The Financial Services Compliance and Regulation practice of Kroll provides updates from the EBA, ESMA, and AMF, as well as from the ACPR and CSSF in April 2025.



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Regulatory Developments

AMF Regulatory Developments

AMF's information note on the Deposit Insurance and Resolution Fund for portfolio management companies

April 2025

The AMF has published an information note on the deposit insurance scheme for AMCs, which have been integrated into the Fonds de Garantie et de Résolution des Dépôts (FGDR) since August 2022.

The AMCs concerned are those providing investment services (discretionary management, RTO, advisory) or maintaining their funds' registers in nominative form. The mechanism covers cases of failure to recover securities or cash belonging to clients, with a guarantee ceiling set at 20,000 euros per client and per institution.

The scheme has been operational since 2024, following two decrees related to the financing of the FGDR and the governance of the mechanism, published on May 30 and November 12, respectively.

Next steps and provisional timetable:

April / May 2025	<ul style="list-style-type: none">• FGDR calls for applications from member AMC and then elects a representative of AMCs on the FGDR Supervisory Board.• AMF campaign to collect information via the annual information form (FRA) to update the scope of membership and determine the amounts of contributions.
June / July 2025	<ul style="list-style-type: none">• Decision by the AMF Board on the principle of individual modulation of contributions according to risk factors, after consultation with the FGDR. Determination by the FGDR of the total amount of contributions for 2025.
Before 15 November 2025	<ul style="list-style-type: none">• AMF notifies asset management companies individually of the amounts of individual contributions. Collection by the FGDR of the amounts concerned.

Regulatory Developments

Fees: the AMF announces the elimination of transaction fees for discretionary management

04 April 2025

The AMF has announced the elimination of transaction fees in the context of discretionary management, to prevent conflicts of interest associated with this mode of remuneration.

This prohibition, already in effect from 2022 for collective management and provided for by the "Green Industry" law for unit-linked arbitration mandates from January 1, 2026, will be effective:

- From January 1, 2027, for new mandates.
- From January 1, 2028, for mandates existing before January 1, 2027, including in the case of tacit renewal.

The AMF has specified the practical modalities of these new obligations in its updated doctrine, notably modifying position-recommendation DOC-2013-10 related to incentives and remuneration and instruction position-recommendation DOC-2019-12 on professional obligations towards non-professional clients.

Read the full article [here](#) and [here](#)

Anti-money laundering and countering the financing of terrorism: the AMF applies the guidelines of the EBA on restrictive measures for crypto-asset service providers

07 April 2025

The AMF has published a new position (DOC-2025-02) that transposes the EBA guidelines on AML-CFT specifically for crypto-asset service providers (CASPs).

These guidelines, published in November 2024 by the EBA (EBA/GL/2024/15), stem from the European Regulation 2023/1113 ("TFR 2") and specify the obligations regarding policies, procedures, and internal controls that the concerned providers must implement. They aim to ensure the effective application of national and European restrictive measures (such as the freezing of funds and economic resources of targeted persons or entities) during the transfer of funds and crypto assets.

Scope and Next Steps

- Integration of the guidelines, applicable from December 30, 2025, into a new position DOC-2025-02.
- Entities concerned by these guidelines: CASPs under the AMF's jurisdiction and digital asset service providers (DASPs) benefiting from a transitional period until July 1, 2026.

Read the article [here](#)

Regulatory Developments

ESMA Regulatory Developments

ESMA finalises rules on firms' order execution policies under MiFID II

10 April 2025

ESMA has published an RTS designed to provide a more stringent framework for investment firms' order execution policies, in line with the Markets in Financial Instruments Directive (MiFID II – Directive 2014/65/UE).

The RTS specify requirements for policy development, execution of orders, monitoring and evaluation of the effectiveness of this policy, as well as order execution arrangements, the execution of client orders via own account and the consideration of specific client instructions.

The new regulations will come into force after validation by the European Commission, **with a compliance deadline of 18 months.**

Read the article [here](#)

ESMA publishes implementing rules on Liquidity Management Tools for funds

15 April 2025

ESMA published its final report on the RTS and guidelines on liquidity management tools (LMTs) for UCITS and AIFMD open-ended funds.

These texts specify:

- Technical characteristics of LMTs such as redemption gates, extended notice periods, redemption fees, swing pricing, side pockets, etc.
- Procedures for selecting, activating and calibrating LMTs according to the fund's strategy, liquidity profile and market conditions.
- The RTS also introduce clarifications on the use of side pockets, with a view to harmonising their operation across the EU.

Next steps

- The RTS have been sent to the European Commission for adoption (3 to 4 months)
- The guidelines will apply as soon as the RTS comes into force
- Existing funds will have 12 months to comply with the guidelines

Read the article [here](#)

Regulatory Developments

The ESAs publish Joint Annual Report for 2024

16 April 2025

The Joint Committee of the ESAs has published its 2024 annual report, which provides an overview of the joint ESAs work completed during the past year.

The priorities focused on:

- **Risk and Financial Stability:** two assessment reports highlighted geopolitical tensions, credit risk, and market volatility.
- **Sustainable Finance:** proposals for simplifying the SFDR, recommendations on PAIs, and updates to Q&As.
- **Digital Resilience (DORA):** finalisation of technical deliverables, establishment of the incident register, and the supervisory framework for critical ICT providers.
- **BigTech and AI:** enhanced monitoring of financial services by major platforms and analysis of AI use cases.
- **Consumer Protection:** actions in financial education, PRIIPs, and behavioral biases.
- **Securitization and ESAP:** contributions to the evolution of the SECR framework and publication of the final report on ESAP.

Read the report [here](#)

Final Report on the Guidelines on supervisory practices for competent authorities to prevent and detect market abuse under MiCA

29 April 2025

ESMA published a final report containing its guidelines for NCAs to prevent and detect market abuse under MiCA in the crypto-asset sector.

These guidelines address both general and specific principles, namely:

General principles

- Ensure effective supervision of market abuse through a risk-based and proportionate approach
- Build a common supervisory culture specific to crypto assets, through open dialogue with the industry

Specific principles

- Incorporation of the characteristics of the crypto asset environment: social media, technologies used and the cross-border nature of crypto trading.

Next steps: each authority will have to notify ESMA within 2 months if it intends to comply with these guidelines. Their application will begin **three months** after publication in the official languages of the EU.

Read the article [here](#)

Regulatory Developments

CSSF Regulatory Developments

Launch of ESMA's joint supervisory action on the compliance and internal audit functions of GFIs(A)

04 April 2025

On February 14, 2025, EMSA in coordination with the national competent authorities (NCAs), launched a common supervisory action (CSA) targeting UCITS management companies and authorised AIF managers in the European Union.

Conducted throughout 2025, the objective of this CSA will be to assess the robustness of compliance and internal audit functions as well as the effectiveness of control mechanisms designed to prevent, detect and address compliance risks.

In Luxembourg, CSSF will implement this action from mid-June 2025. The selected companies will receive a notification by email before April 11, 2025, and will be required to complete a questionnaire via eDesk. It also emphasized the importance of keeping eDesk users' contact details up to date.

Methodology used by ESMA

- Use of a common evaluation framework defining the scope, methodology, supervision expectations and timeline for conducting full supervisory action in a convergent manner.
- Contribution to the convergence in the supervision of compliance of UCITS fund management companies and AIFMs through the sharing of knowledge and experiences of NCAs via ESMA.

Next steps

At the end of this exercise, ESMA will publish a consolidated report in 2026 presenting the European results of this surveillance action on the organisation and effectiveness of audit and compliance functions in the asset management sector.

Read the article [here](#)

Updates to several CSSF circulars on ICT risk management and the use of third-party ICT service providers

09 April 2025

The CSSF has announced the update of its circulars CSSF 20/750 (ICT Risk Management) and CSSF 22/806 (Outsourcing arrangements) to align its regulatory framework with the DORA regulation, applicable since January 17, 2025.

Applicability of the modifications to the circulars:

- "DORA entities": Entities falling under the scope of DORA and supervised by the CSSF.
- "Non-DORA entities": Other entities supervised by the CSSF.

ICT Risk Management:

- Circular 20/750 (ICT Risk Management) remains applicable to "non-DORA" entities.
- Circular 25/881 (on ICT and security risk management) modifies 20/750 to remove redundant elements found in DORA.
- A new circular CSSF 25/880 is introduced for payment service providers and incorporates the new EBA guidelines (GL 2025/02), which establish an annual reporting obligation on risks related to payment services.

Outsourcing of ICT Services:

- Circular CSSF 22/806 is modified by CSSF 25/883:
- For DORA entities: Only the rules on non-ICT outsourcing apply.
- For "non-DORA" entities: The circular continues to apply in full (ICT and non-ICT).
- Removal of specific clauses applicable to cloud services.
- A new circular CSSF 25/882 is published for DORA entities, detailing practical modalities related to:
 - Notification of new contracts.
 - Maintenance of the register of information.
 - Regulation of certain cloud services.

Read the article [here](#)

Regulatory Developments

CSSF Regulatory Developments

New forms for third-party ICT agreements / ICT outsourcing agreements

09 April 2025

The CSSF makes two major clarifications in the context of the application of the DORA regulation.

Definition of ICT services within the meaning of DORA

According to an official response from the European Commission (Q&A DORA030), the definition of “ICT services” in the DORA regulation (article 3(21)) is intentionally broad.

- Are considered as “ICT services”: services provided by professionals in the financial sector that are covered by Articles 29-3 to 29-6 of the Law of the Financial Sector of 5 April 1993).
- Are not considered to be “ICT services”: financial services provided other than those covered by the aforementioned articles.

New notification form for agreements with ICT third parties

A new form is published for the DORA entities to notify:

- The conclusion of a new agreement with an ICT provider for a critical or important function
- Or the requalification of an existing function as critical or important

Notification deadlines

- 3 months before implementation (or 1 month if the provider is a Luxembourg support PFS)
- Without delay if a function becomes critical or important

A transitional period until May 10, 2025, still allows the use of the old form. After this period, only the new version will be admissible, in accordance with circular 25/882.

CSSF Reminders

- ICT outsourcing arrangements previously notified under Circular CSSF 22/806 are not submitted again under DORA.
- Contractual arrangements on the use of ICT services already in place prior to 17 January 2025, and which have not been notified shall be entered into the Information Register, without additional notification.
- Entities not subject to DORA are still required to use the form specific form of circular CSSF 22/806 as amended by 25/883

Read the article [here](#)

Recent Enforcement Actions / Sanctions

Administrative sanction of 25 March 2022

04 April 2025

CSSF imposed a fine of €283,000 against Allianz Global Investors GmbH, Zweigniederlassung, for breaches related to its professional obligations regarding AML/CTF prevention. This sanction followed an inspection conducted in November 2018.

Findings include, but are not limited to:

- Incomplete risk analysis: risk assessment of more than 1,000 investors not covered.
- Deficiencies regarding investor vigilance: lack of enhanced vigilance for a politically exposed person (PEP) whose risk was classified as low and provision of incomplete documentation.
- Failures in due diligence for intermediary investors: lack of senior management approval for two intermediary investor files.
- Absence of internal audit conducted on AML/CTF for 2019 and 2020.

The Luxembourg Court confirmed this sanction by judgment of February 7, 2025.

Read about the sanction [here](#)



Glossary

ACPR - Contrôle Prudentiel et de Résolution

AIF - Alternative Investment Funds

AIFM - Alternative Investment Fund Manager

AMC - Asset Management Companies

AMF - Autorité des Marchés Financiers

AML-CTF - Anti-money laundering and counter-terrorism financing

CDR - Commission Delegated Regulation

CSSF - Commission de surveillance du secteur financier

CSRD - Corporate Sustainability Reporting Directive

CNIL - French Data Protection Authority

DORA - Digital Operational Resilience Act

EBA - European Banking Authority

EC - European Commission

ECB - European Central Bank

ELTIF - European long-term

investment funds

EMIR - European Market Infrastructure Regulation

ESAs - European Supervisory Authorities (EBA, EIOPA and ESMA)

ESG - Environmental, social, and governance

ESMA - European Securities and Markets Authority

EU - European Union

ETF - Exchange Traded Funds

GDPR - General Data Protection Regulation

ICT - information and communication technology

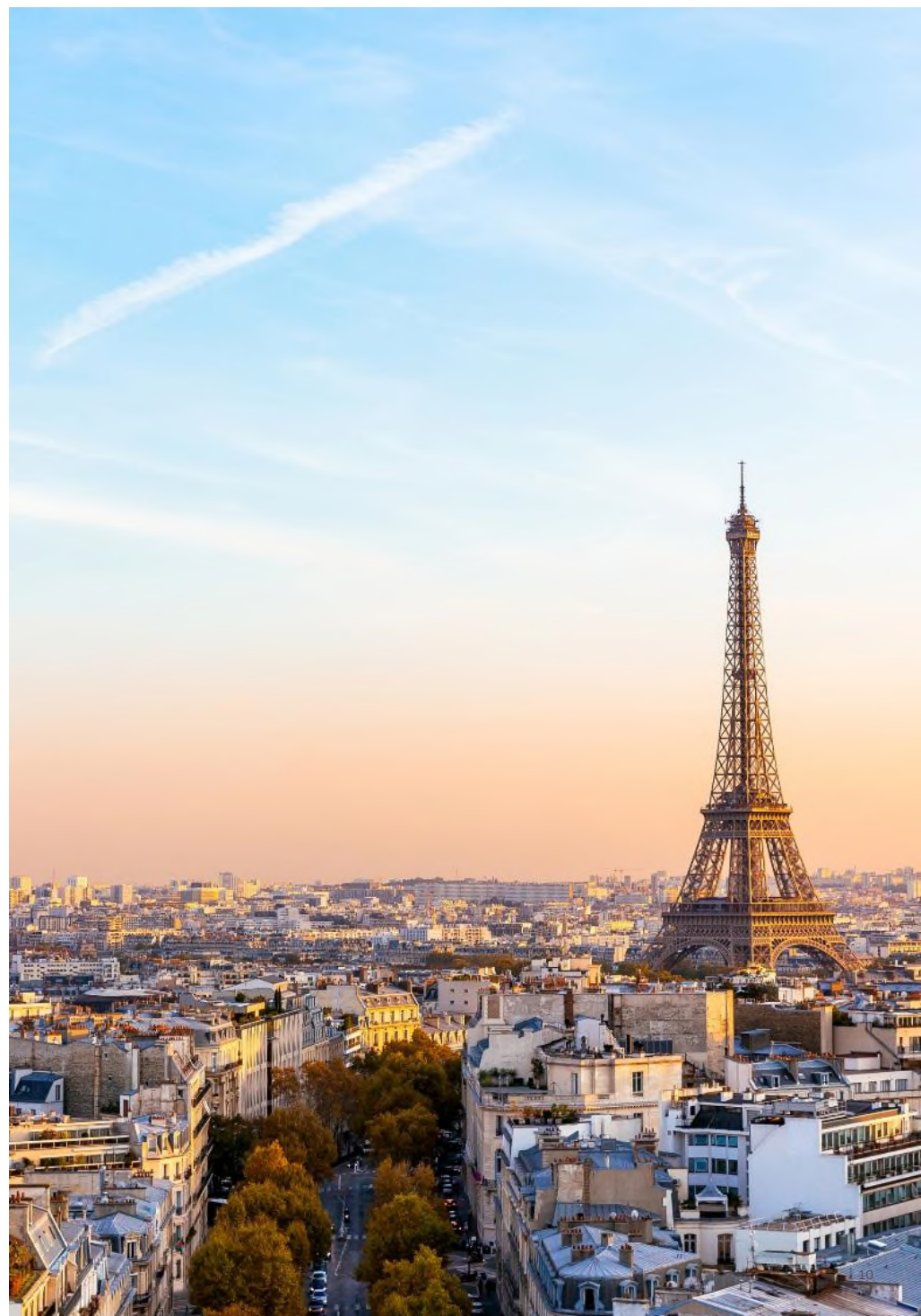
MiCAR - Markets in crypto-assets Regulation

RTS - Regulatory Technical Standards

SFDR - Sustainable Finance Disclosures Regulation

SPOT - Supervision of Operational and Thematic Practices

UCITS - Collective Investment in Transferable Securities



Stay Ahead with Kroll

Enhancing value across a range of expertise

Valuation Advisory

Valuation and consulting for financial reporting, tax, investment and risk management purposes

- Valuation Services
- Alternative Asset Advisory
- Real Estate Advisory
- Tax Services
- Transfer Pricing
- Fixed Asset Advisory Services

Corporate Finance

Objective guidance to management teams and stakeholders throughout restructuring, financing and M&A transactions, including independent fairness and solvency opinions

- M&A Advisory
- Fairness and Solvency Opinions
- Transaction Advisory Services
- ESOP and ERISA Advisory
- Financial Sponsors Group
- Distressed M&A and Special Situations
- Private Capital Markets and Debt Advisory

Governance and Risk Advisory

Risk management and mitigation, disputes and other advisory services

- Forensic Investigations and Intelligence
- **Financial Services Compliance and Regulation**
- Compliance Risk and Diligence
- Expert Services
- Restructuring Advisory
- Information Management and Governance
- Security Risk Management
- Data Insights and Forensics

Business Services

Complex legal and business solutions through our proprietary technology and team of experts

- Prime Clerk
- Class Action Administration
- Mass Tort Administration
- Regulatory and Government Administration
- Notice Media Solutions
- Lucid Issuer Services
- Lucid Agency and Trustee Services
- Corporate Actions
- Business Technology

Cyber Risk

With unrivaled frontline experience from handling 2,700+ incidents every year, we're uniquely positioned to deliver end-to-end cyber risk solutions to support every step of the journey toward cyber resilience:

- Cyber Risk Governance
- System Assessments and Testing
- Incident Response and Litigation Support
- Notification, Call Centers, and Monitoring
- Managed Security Services



Stay Ahead with Kroll

Supporting financial services firms globally to build, manage and protect their businesses

Our FSCR practice was established upon the four pillars below which are highly valued by the industry and continue to guide our approach to all engagements. This powerful combination ensures our clients receive seamless service, relevant cross-jurisdictional advice and insight to enable them to make informed decisions.



We have a multidisciplinary team with a strong **depth of regulatory, technical and industry experience**, drawn from leading financial institutions, regulators, government authorities and professional advisory firms.



Through our **global presence in key financial services markets**, we are **closely connected** with the industry, regulators and trade associations. Clients also benefit from our **'one team'** borderless approach.



We are a **trusted, experienced partner** to all our clients, providing ongoing strategic advice and considering **regulatory obligations, operational excellence and risk and compliance** throughout our client engagements.



Our practice is **focused exclusively on financial services**: we work with a broad range of firms across the industry and provide technical advisory support and expertise across the **full spectrum of financial services regulations across the globe**.



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