

**Hello. I'm Amanda Hale from Citi's Global Trustee and Fiduciary Services Regulatory team.**

**Joining me to provide an update on the latest regulatory highlights are my colleagues,**

**Andrew Newson and Matthew Cherrill.**

**So, what do firms need to be aware of this month?**

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**ANDY:** Kicking-off with a global initiative, in April the Financial Stability Board published its finalised 'Format for Incident Reporting Exchange' (FIRE), which is aimed at streamlining cyber and operational incident reporting.

**MANDY:** What's the intent behind the FSB's final report?

**ANDY:** By introducing a standardised format, the FSB says that FIRE addresses the fragmentation in regulatory reporting requirements, alleviating the burden on firms that operate across multiple jurisdictions.

The FSB also says that FIRE facilitates timely action and fosters improved communication and coordination among authorities across borders.

**MANDY:** So beyond regulators, what does the FSB say about firms?

**ANDY:** The FSB explains that FIRE encompasses a wide range of operational and cyber incidents, with its potential applicability extending to third-party service providers and firms beyond the financial sector.

Then for jurisdictions with existing standardised reporting frameworks, FIRE supports a phased implementation approach and is designed to be interoperable with current systems, ensuring a smooth transition and encouraging broad adoption.

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**MANDY:** And Matt, turning to the UK, what's the latest?

**MATT:** The FCA has launched a Call for Input which seeks feedback on its proposed approach to changing the regulatory framework for alternative investment fund managers (AIFMs) in the UK.

Accompanying the FCA's Call for Input, HM Treasury issued a consultation on its proposed changes to the key areas of on-shored alternative investment fund managers directive and regulation.

**MANDY:** What is the purpose of the evidence gathering and consultation?

**MATT:** The FCA wants to give stakeholders clarity about the intended direction of its reforms and an opportunity to comment before it develops detailed rules and guidance for consultation.

The FCA says it is also proposing reforms to the regime, to make it easier for firms to enter the market, grow, compete and innovate.

And in collaboration with HM Treasury, the FCA is considering creating bespoke regimes for investment trusts and for venture capital firms due to those sectors' distinct characteristics.

The deadline to respond to both papers is 9 June 2025.

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**ANDY:** Mandy, staying in the UK, but switching to ESG, what's the latest?

**MANDY:** The FCA has announced that it no longer intends to publish a Policy Statement following consultation CP24/8 on extending the Sustainability Disclosure Requirements regime to Portfolio Management, published in April 2024.

The FCA says this is because it wants to ensure that the SDR regime for portfolio managers protects consumers, whilst considering the practical challenges firms may have in adopting the regime.

**ANDY:** What else does the FCA say?

**MANDY:** It has reflected on the industry feedback received and has also considered wider regulatory work affecting portfolio managers, and overall, there is broad support for extending SDR to portfolio management, with most respondents agreeing this is an important step toward improving consumer outcomes.

However, the FCA wants to take time to carefully consider the challenges and ensure that portfolio managers are positioned to implement the regime effectively before introducing requirements.

Further, the updated webpage goes on to outline a summary of the key feedback the FCA received to the consultation, the relevance of its forthcoming multi-firm review on model portfolio services, and the next steps for this work.

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**MATT:** Andy, in the U.S., the SEC has Extended its Effective and Compliance Dates for Amendments to Investment Company Reporting Requirements. What are the details?

**ANDY:** In April, the SEC announced a two-year extension of the effective and compliance dates for rule amendments adopted in August 2024 that require many types of registered funds to more frequently report portfolio-related information to the SEC and the public on Form N-PORT.

The new effective date for the Form N-PORT amendments is 17 November 2027. Also, the compliance date for larger fund groups is extended from 17 November 2025 to 17 November 2027, and the compliance date for smaller fund groups is extended from 18 May 2026 to 18 May 2028.

**MATT:** What's the rationale for the extended reporting requirements?

**ANDY:** The SEC states that the extension is designed to provide time for it to complete its review of the amendments in accordance with a Presidential

Memorandum and take any further appropriate actions, which may include proposed amendments to Form N-PORT.

Also, the effective and compliance date for amendments to Form N-CEN, as well as guidance related to open-end fund liquidity risk management program requirements, remain as 17 November 2025.

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**MATT:** And Mandy, how about the latest developments Hong Kong?

**MANDY:** During April, the HK SFC published consultation conclusions on the proposed increases of position limits for exchange-traded derivatives based on the three major stock indices in Hong Kong.

The SFC says that respondents to the consultation have shown strong support for the proposal, noting that the changes will facilitate market liquidity, hedging efficiency and further market growth.

**MATT:** So, what are the next steps?

**MANDY:** The SFC will now proceed to implement the proposal after considering the feedback, the historical and potential market growth, as well as utilisation of the limits by market participants.

To this end, it will amend the Securities and Futures (Contracts Limits and Reportable Positions) Rules, as well as the Guidance Note on Position Limits and Large Open Position Reporting Requirements.

And subject to the legislative process, the new position limits are expected to take effect in July 2025.

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**ANDY:** Matt, wrapping up in Europe, ESMA has progressed its work for funds on Liquidity Management Tools. What's the latest?

**MATT:** On 15 April 2025, ESMA published draft Regulatory Technical Standards on LMTs under the AIFMD and UCITS Directive, plus a final report on the Guidelines on the use of LMTs for UCITS and open-ended AIFs

ESMA says that these provisions will make EU fund managers better equipped to manage the liquidity of funds, particularly in cases of market stress. In addition, the draft RTS also clarify the functioning of LMTs, such as the use of side pockets for which rules currently vary across the EU.

ESMA also states that the publication is a key step in the implementation of the revised Directives and will facilitate the harmonisation and full availability of the LMTs defined in the Directives in all Member States.

**ANDY:** And what are the next steps?

**MATT:** Now that ESMA has submitted the draft RTS to the European Commission for adoption, the Commission will make the decision on whether to adopt the RTS.

This must be done within three months though it may extend that period by one month if needed.

**ANDY:** And what about the Guidelines?

**MATT:** ESMA says these will be translated into all member state languages after the adoption of the draft RTS.

Following ESMA's publication of the translations, national competent authorities will have two months to notify ESMA whether they comply or intend to comply with the Guidelines.

Finally, ESMA says that the Guidelines will start applying on the date of entry into force of the RTS and that funds existing before that date, will have twelve months to comply.

**MANDY:** If you would like to learn some more about the topics we discussed today, as well as other regulatory developments, you can follow the relevant links in our **Bite-Sized** publication.