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?

MATT: Starting in Australia, ASIC published Regulatory Guide 280 on sustainability reporting, saying the Guide provides guidance for entities that are required to prepare a sustainability report containing climate-related financial information under Chapter 2M of the *Corporations Act 2001*.

This may include companies, registered schemes, registrable superannuation entities, and retail corporate collective investment vehicles.

MANDY: What does the Guide include?

MATT: RG 280 includes guidance on the content required in the sustainability report, disclosing sustainability-related financial information outside the sustainability report (such as in disclosure documents and product disclosure statements), and ASIC’s administration of the sustainability reporting requirements (including its specific approach to considering relief and use of its new directions power).

MANDY: So how have ASIC responded to the feedback received?

MATT: ASIC says it has:

- Added sections to RG 280 on climate scenario analysis and disclosing scope 3 greenhouse gas emissions;
- Included more specific guidance for directors of reporting entities;
- Included additional guidance on applying the sustainability reporting thresholds;
- Revised its position on labelling of sustainability-related information in sustainability reports; and
- Updated guidance on disclosing sustainability-related financial information outside of the sustainability report.

MANDY: Are there any other sustainability headlines of note?

ANDY: In the US, the SEC voted to end its defence of the rules requiring disclosure of climate-related risks and greenhouse gas emissions, adopted in March 2024, that created a detailed and extensive special disclosure regime about climate risks for issuing and reporting companies.

However, the rules have been challenged in the courts, now consolidated in the Eighth Circuit, by States and private parties, and the SEC stayed effectiveness of the rules pending completion of that litigation.

Following the SEC's vote, it sent a letter to the court stating that it withdraws its defence of the rules, and that SEC counsel are no longer authorised to advance the arguments in the brief the SEC had filed.

MANDY: So, what happens next?

ANDY: Currently, it's not clear. The duration of the SEC's previous stay will depend on the court's and petitioners' responses to the SEC's position. The SEC has not yet indicated whether it is considering amending or rescinding the climate-related disclosure rules.

MANDY: In the EU, the European Commission adopted its strategy for the Savings and Investments Union, which it says seeks to offer EU citizens broader access to capital markets and better financing options for companies.

ANDY: What does the Commission say is required to enable its plans?

MANDY: The Commission says that delivering the SIU requires concerted efforts across four strands of work:

Citizens and Savings: Retail savers should have the opportunity to hold more of their savings in higher-yielding capital-market instruments, including in view of retirement.

Investment and Financing: The Commission says it will introduce initiatives aimed at improving capital availability and access for all businesses, including SMEs.

Integration and Scale: Removing regulatory or supervisory barriers to cross-border operations of market infrastructures, asset management, and distribution of funds.

Efficient Supervision in the Single Market: Measures to ensure all financial market participants receive similar treatment by reinforcing the use of convergence tools as well as a reallocation of supervisory competences between national and EU levels.

ANDY: How does the Commission plan to introduce these changes?

MANDY: The Commission says that packages of measures will be taken in a limited range of areas, with the most impactful actions being given priority this year, and will include various measures, including those to be developed by the Member States themselves.

ANDY: In the UK, the FCA launched a 5-year strategy that, it says, aims to deepen trust, rebalance risk, support growth and improve lives.

MATT: How does the FCA plan to achieve these aims?

ANDY: The FCA says it will focus on four priorities:

- *To be a smarter regulator*; by improving its processes and embracing technology to become more efficient and effective.
- *Supporting sustained economic growth*; by enabling investment, innovation and ensuring the continued competitiveness of the UK's financial services.
- *Helping consumers navigate their financial lives;* by working with industry to boost trust, product innovation, and ensuring the right information and support is available for people to take financial decisions. And,
- *Fight financial crime*, by focusing on regulated firms who actively do harm, and going further to disrupt criminals, and support firms to be an effective line of defence.

MATT: What else does the FCA have to say?

ANDY: The FCA says that the strategy sets out its changes to how it supervises, to be more efficient. This includes taking a less intensive approach for those firms doing the right thing, streamlining how it sets its supervisory priorities, and reviewing whether it can stop requiring certain data returns. It will also digitise and simplify the authorisation processes, so it is easier and quicker to apply, the information received is better quality, and follow-up requests are reduced.

MATT: Talking of plans and strategies, IOSCO published its Work Program for 2025, outlining key priorities to enhance financial resilience, market effectiveness, and investor protection.

MANDY: What are these key priorities?

MATT: The priorities are:

Strengthening Financial Resilience - including finalising its Revised Recommendations and Implementation Guidance on open-ended funds liquidity management.

Supporting Market Effectiveness – including a review of its Principles for the Valuation of Collective Investment Schemes, considering the growing significance of private assets.

Protecting Investors

and

Addressing Risks in Sustainable Finance and Fintech - Where IOSCO says it will expand its analysis of the sustainable bond markets and ESG indices and assess the implementation of its sustainability-related recommendations for asset management and continue to monitor implementation aspects of the ISSB standards and support capacity building for interested jurisdictions that are seeking to use those standards.

MANDY: Finally, ESMA wrote to the European Commission detailing areas where it plans to deprioritise and postpone work.

ANDY: What work can we expect to see delayed?

MANDY: ESMA says its deprioritised deliverables include:

- RTS on open ended loan originating alternative investment funds – due April 2025 – delayed by six months.
- Guidelines to specify the circumstances in which a fund name is unfair, unclear or misleading – due April 2026 – delayed by at least 12 months.
- CSDR Refit: RTS on buy-in – due January 2025 - Delayed until T+1 implementation is complete.
- MiFID/MiFIR Review: RTS on order execution policies (best execution) - due December 2024 – delayed by six months.
- Technical advice on UCITS eligible assets – April 2025 – delayed by three months.

MATT: 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.