



Newsletter – Financial services

Spring 2025

The European regulatory framework governing crypto assets was supplemented during Q1 2025. The effects of such framework are notably reflected by the delisting of some of stablecoins by regulated platforms. While the US President has announced his intention to include crypto-currencies in the Fed's reserves, one can question the security of safekeeping of crypto assets following the massive hack at the end of February 2025 of one of the largest exchange platforms.

In France, tax consequences of converting crypto assets into fiat currency have yet to be facilitated and it is not a surprise to learn that the French prosecution office revealed that it is in charge of a criminal investigation of the world's largest crypto platform for (i) failures to combat money laundering and (ii) illicit financial solicitation.

With the proposal for the so-called "Omnibus" package published at the end of February 2025, the European Commission intends to simplify the rules on (i) sustainability-related disclosures (SFDR and taxonomy) and (ii) corporate due diligence (CS3D). The new US President goes further, simplifying the task of US companies in the fight against corruption¹, the transparency on ultimate beneficial owners² and giving extraterritorial reach to his ban on social inclusion policies.

On the 3rd anniversary of the war in Ukraine, opinions differ on whether to convert frozen assets into seized assets. At the end of March 2025, the UK fined the first company (a law firm) for breaching British sanctions against Russia, which is rare enough to mention.

In a tense international context, cyber resilience is increasingly seen as an existential challenge. In March 2025, the financial sector faced service interruptions from a major French supplier of financial software and even has been subject to claims for compensation following the unavailability of means of payments (e.g. the UK).

1. Financial Sanctions against Russia

On the day Ukraine marked the 3rd anniversary of its invasion by Russia, the European Union adopted its 16th sanctions package³. All regulations at stake were impacted. Three new Russian banks which circumvented the European ban on connection to the Bank of Russia's financial message transfer system (SPFS)⁴ are now blacklisted. Additional 13 Russian financial institutions have been denied access to the Swift messaging service.

Anti-circumvention measures are also part of the regulatory changes, including the addition of new (non-Russian) foreign companies to the blacklists plus an increase in the number of vessels deemed to be part of Russia's phantom fleet. The amended texts also include a new criterion for blacklisting: that of persons and entities that "support" or "benefit from" the Russian military and industrial complex. The legislator even provides for the possibility of banning business relations with financial institutions and crypto-asset service providers involved in prohibited operations⁵.

¹ Executive Order of 10 February 2025. Our note does not address the subject of customs duties, which the US administration only mentions in relation to goods but never services.

² A two-stage announcement in March 2025.

³ At the same time, the European Council eased the legal framework of sanctions against Syria. In preparation for a possible lifting of sanctions should the war come to an end, at the end of January 2025 the European Commission proposed a Regulation aimed at modifying customs duties on goods from Russia.

⁴ Two entities incorporated in Belarus and a Chinese branch of a listed Russian bank.

⁵ i.e. on transactions involving blacklisted persons (Regulation 833/2014).





2. Fight against money laundering (AML/CFT)

At the end of 2025, the ACPR recently announced a forthcoming enabling bill to adjust the French framework of AML/CFT rules⁶. The French supervisor highlighted changes to be anticipated, such as the scope of client data to be collected, the inclusion of virtual IBANs in national registers of bank/payment accounts and the specificity of vigilance over crypto-assets. Anticipation will notably be essential for the identification of beneficial owners: the anticipated framework will require knowledge of the legal entity over the last five years.

In an opinion issued on 23 January 2025, the French Supreme Administrative Court refuted the idea that the obligation to report suspicions on the part of regulated professionals should be limited solely to suspicions (of money laundering) concerning sums derived from criminal offenses punishable by more than one year's imprisonment. It therefore confirmed that the reporting obligation also extends to suspicions concerning the original offence.

As the Senate is engaged with an inquiry into financial delinquency⁷ new regulatory developments on AML/CFT could be triggered. In addition, a bill aimed at combating drug trafficking has every chance of being passed by summer 2025. In particular, it will involve (i) making dealers and leasers of luxury vehicles subject to AML/CFT, (ii) establishing a certification process evidencing minimum knowledge for all those subject to AML/CFT, (iii) opening up the scope of criminal seizures through a new presumption of money laundering, and (iv) prohibiting the provision of services enabling the anonymization or further opacification of crypto asset transactions (activity of "mixer").

France has brought forward to 15 July (from 31 July) the deadline for financial institutions to file the declaration on foreign accounts which enables France to ensure the automatic exchange of financial data (FATCA) (Decree issued in mid-February 2025).

Lastly, the Senate will examine an amended version of its bill on rules governing bank account closures received on 14 March 2025 from the French National Assembly ([Fall 2024 newsletter](#)). Given the spirit of the original bill has not been amended by the National Assembly, both Chambers are likely to reach a bipartisan compromise. One can regret that both Chambers maintained the principle of an obligation to justify the closure of accounts, which can only expose banks to a form of negative disclosure of suspicions of money laundering or terrorist financing.

This latter legislative move is to be viewed in the context of another bill⁸ which aims to create a new national file of accounts treated as fraudulent⁹. The legislator's aim is to block as quickly as possible fraud attempts by criminal networks which open rebound accounts to better conceal their fraudulent activities. The initiative comes ahead of the creation of a fraud-sharing mechanism provided for in the future Payment Services Regulation (PSR)¹⁰, which may become final by the end of S1 2025¹¹. Above all, the French initiative is very important in the context of the entry into force on 9 October 2025¹² of the European provision resulting from EU Regulation governing instant transfers, which requires payment service providers to check on any discrepancy between the designated beneficiary to whom the payer intends to send a transfer and that which is registered with the beneficiary bank¹³.

⁶ Cf. European package published on 19 June 2024 (rules essentially applicable from 10 July 2027).

⁷ This is in addition to the Government's active approach to combating 'washing machines' (CP 12 February 2025).

⁸ Adopted by the National Assembly on 31 March 2025.

⁹ According to an assessment of the banking sector, which may come into conflict with the European Data Protection Regulation, a safeguard that seems to have been dealt with too quickly by the National Assembly.

¹⁰ See in particular Recital 103 and draft Article 83.

¹¹ A priority for the Polish Presidency of the Council.

¹² For transfers in euros.

¹³ A system known as Verification of Payee or VoP.





At the beginning of April 2025, the French legislator modified the rules governing access to the French register of beneficial owners¹⁴.

3. Payment services

3.1 European developments

In the context of DORA Regulation coming into force on January 17, 2025, and the associated reporting obligations, the European Banking Authority (EBA) repealed its "PSD2" guidelines on the notification of major operational/security incidents, to avoid unnecessary duplication with DORA rules.

The publication in the Official Journal between mid-February and the end of March 2025 of over 20 implementing regulations of MiCA Regulation marks completion of a complex European framework governing crypto-assets¹⁵. Such EU rules nevertheless remain dependent on national rules, notably on the issue of pledging crypto assets, which could prove beneficial for the rise of Lombard credit¹⁶.

A response from the European Banking Authority (EBA) published in January 2025, and linked to the ruling of the EU Court of Justice dated 22 February 2024 (mentioned in the [Fall 2024 newsletter](#)), reminds that payment activity where no third party (beneficiary) becomes the holder of e-money is actually not "e-money"¹⁷.

Finally, one will closely watch how the European Court of Justice¹⁸ will eventually reconcile the requirement for a victim of an unauthorized payment to notify his payment service provider "without delay" given that such notification must be made "within the thirteen-month period".

3.2 National developments

In a press release¹⁹ regarding payment fraud, France's highest court once again rejected any possible sharing of liability and upheld that where the customer's "gross negligence" can be evidenced it must bear full responsibility.

In mid-January 2025, the French supervisory authority for the European Regulation on interchange fees for payment transactions linked to a bank card (the DGCCRF) fined two entities²⁰ for having implemented a system limiting the choice of payment brand (CB, Visa or Mastercard) by consumers using a co-badged card used for online purchases.

At the end of January 2025, the legislator gave users of meal vouchers another two years to use them for the purchase of food products.

4. Insurance

Pending implementation measures to adopt two recent Directives establishing the framework for resolution and amending prudential rules, the French supervisory authority (ACPR) ruled in January 2025 that it intended to closely monitor the risks of outsourcing in the insurance sector. In mid-March 2025, at its morning session on customer protection, it summarized its expectations regarding respect

¹⁴ Bill known as 'DADDUE 5', adopted on 2 April 2025 following a joint committee vote.

¹⁵ Earlier in February, the French securities regulator (the AMF), amended its General Regulations on the offering of crypto assets and the conditions governing the authorisation of crypto asset service providers.

¹⁶ Bill known as 'DADDUE 5', adopted on 2 April 2025 following a joint committee vote.

¹⁷ The criterion of 'acceptance of electronic money' by a third party should be understood as implying the transferability and voluntary acceptance of electronic money as a distinct monetary asset, and not simply as the receipt by the beneficiary of funds resulting from redeemed electronic money.

¹⁸ Opinion of the Advocate General of 9 January 2025.

¹⁹ CP Cour de cassation of 15 January 2025 concerning two rulings. The form of the press release raises questions, whereas the substance of the decision is purely a confirmation of case law.

²⁰ Fines of €690k and €450k respectively.





for customer interests in the design and marketing of insurance (or para-banking) products. With regard to life insurance products in particular, it indicated her intention to monitor the value-for-money ratio, particularly in view of the cost/performance ratio of the units of account available for sale, in line with the commitments made by the industry in this area.

5. Investment services and asset management

As announced in our [last newsletter](#), on 12 February 2025, the European Commission finally launched its reform project aimed at shortening the settlement cycle for financial securities, paving the way for T+1 settlement by 11 October 2027.

On 12 March 2025, the European Commission launched its strategy for the Savings and Investment Union, without formulating any immediate practical advances for the sector.

In France, an fast track law (*ordonnance*) dated 12 March 2025 reduced certain cumbersome aspects of the law applicable to French collective investment schemes, and more specifically SICAVs. On the same day, alarmed by the ever-increasing number of subscribers vainly trying to escape the SCPI trap. Shortly after revealing in February 2025 several deferred prosecution agreements²¹, the French securities regulator (AMF) reminded distributors of what could incriminate them in legal actions based on poor marketing practices.

In March 2025, the AMF changed the regulatory framework for transaction fees charged for portfolio management services, with a deferred entry date of 2027 or 2028, depending on the date on which management mandates are signed.

6. Sustainable finance

The EU decided to backtrack²² as a result of the recent Draghi report and the US withdrawal from the Paris agreements²³. This emerged as a European legislative proposal published on 26 February 2025²⁴ and adopted by the European Parliament on 1 April 2025. It revisits the scope of sustainable finance, which has not yet been fully implemented. Directives involved include that on corporate duty of care (CS3D) and corporate extra-financial transparency (CSRD). As far as the financial sector is concerned, the Commission has acceded to the French authorities' request not to set additional sustainability due diligence requirements for regulated financial companies.

It was precisely in the context of the transposition of the CSRD that the French Parliament took note of the European backlash²⁵, deciding on a postponement of application ultimately limited to two years (for entities in the 2nd and 3rd waves of the said regulation).

At the beginning of the year, a decree issued on 20 January approved a revised set of standards for the Greenfin label, a key factor in the development of green finance.

7. Other European or national developments impacting financial services

Since 17 January 2025, the financial sector's cyber resilience has been based on the four pillars of DORA, and the Commission has finally produced regulatory technical standards (RTS) on the

²¹ Even if some of them went beyond the mere marketing of financial products tied to real estate.

²² Referred to as the 'Clean Industry Pact' (26 February 2025).

²³ As well as a US legislative proposal of March 2025 ('Protect USA Act') aiming to block US companies operating in the EU from applying European sustainable finance rules.

²⁴ This relief proposal was preceded by a charge from many stakeholders, including the French Government, which published a note on 20 January 2025.

²⁵ Bill known as 'DADDUE 5', adopted on 2 April 2025 following a joint committee vote.





contractual adjustments to be made in their relations with providers of so-called “ICT” services²⁶, particularly when these are to be categorized as critical²⁷.

In France, the ACPR has set 15 April 2025 as the date by which it must have received (from the institutions under its supervision²⁸) registers of contractual agreements based on ICT services²⁹. Financial institutions operating cross-border in different Member States will be keen to heed the guidelines issued by the November Joint Committee on cooperation between supervisory authorities, to avoid unnecessary duplication of reports due under DORA.

On the French legislative side, in March 2025 the Senate began examining the draft law on the “resilience of critical infrastructures and the reinforcement of cybersecurity” (NIS2 and DORA transposition), without which Monaco financial institutions are not bound by DORA.

At the beginning of April 2025, the French legislature finally adopted its “DADDUE 5” bill, a multi-faceted text which, among other things, empowers the government to transpose the CRD VI³⁰ Directive into French law. The vast scope of this text also covers the new status of credit managers, the conditions under which certain payment service providers can finally integrate directly into payment systems, and the framework for group actions, as set out in a European Directive.

In European case law, the Court of Justice of the European Union issued a ruling on 13 February 2025, reminding us that consumer borrowers’ failure to provide pre-contractual information may result in the loss of entitlement to interest and costs.

Last but not least, in the French legal arena, we can mention the opening of the criminal trial in the so-called “Apollonia” case, which involves hundreds of civil parties and some fifteen defendants, who were at one time prosecuted for unlawful canvassing in the banking and financial sector and the illegal exercise of the activity of intermediary in banking transactions.

²⁶ See the enlightening contours of this notion of ICT service in an EIOPA Q&A from January 2025, which the ACPR has, from February 2025, included among other Q&A on its website. This page of Q&A is in addition to the ACPR Q&A published from January 2025 and supplemented by ACPR Instructions for the insurance and banking sectors.

²⁷ On 21 January 2025, the Commission rejected the draft RTS proposed in July 2024, considering that the joint committee had imposed certain constraints that were not required of DORA.

²⁸ This naturally includes the insurance sector, for which it drew up a preparatory report in a summary published on 12 February 2025.

²⁹ It should be noted that financial institutions may outsource their reporting obligations to a third-party service provider, provided that they have notified the ACPR in advance.

³⁰ Directive (EU) 2024/1619 of 31 May 2024 on supervisory powers, sanctions, third-country branches and environmental, social and governance risks.

