



Newsletter – Financial services

Fall 2025

The world turned upside down: at the end of August 2025, the US administration blacklisted judges from the International Criminal Court, before pardoning, at the end of October 2025, individuals in the crypto-asset sector who had been criminally convicted¹. This raises questions as the United Kingdom revealed at the end of September 2025 the world's largest seizure of crypto-assets (equivalent of \$6.7 billion).

In the context of the invasion of Ukraine, the United States has been applying secondary sanctions since 21 November to individuals doing business with one of Russia's two largest oil companies².

In the middle of summer 2025, European law enforcement agencies confirmed the dismantling of a pro-Russian hacker group responsible for numerous denial-of-service attacks³, demonstrating that cyber resilience is more relevant than ever.

In France, the criminal case against Switzerland's largest bank (conviction for money laundering, tax fraud and illegal financial solicitation) came to an end in late September 2025 with the conclusion of a settlement setting the level of fines and damages paid to the French State, which were significantly reduced compared to the criminal conviction on appeal on 13 December 2021.

A French court ruling mentioned in a [previous newsletter](#)⁴, which paved the way for unfair competition proceedings against financial sector players who fail to comply with their obligations, may have prompted the launch in November 2025 of legal proceedings against a Chinese clothing manufacturer that was heavily penalized by the State for its breaches.

1. Financial Sanctions against Russia

The 19th set of European sanctions adopted on 23 October 2025 followed the 18th set adopted during the summer⁵:

- The 18th package had prohibited all transactions with (i) an expanded list of financial institutions⁶, (ii) financial entities from third countries that have circumvented EU sanctions⁷ or that use the Russian financial messaging system (SPFS) and (iii) subsidiaries and significant holdings of the Russian Sovereign Wealth Fund, as well as entities that finance it;
- The 19th package brought further changes to the two historical texts⁸, by providing for, respectively:
 - ❖ A further expansion of the blacklist (including beyond Russian nationals alone), while providing for exemptions;
 - ❖ Restrictions in the energy⁹ and financial¹⁰ sectors.

¹ This includes the founder of Binance, the largest cryptocurrency exchange (by trading volume).

² Even though exemptions have been obtained by European states, these two players own several industrial refining sites in Europe.

³ A type of cyberattack that involves flooding a website with connections until it crashes.

⁴ Ruling of the Court of Cassation of 27 September 2023 (Commercial Chamber, appeal 21-21.995).

⁵ Regulations of 18 July 2025 (amendments to Regulation 833-214 and the equivalent Regulation for Belarus).

⁶ instead of the historical prohibition limited to the provision of financial messaging services.

⁷ This includes two Chinese banks. It is noteworthy that Russian academic system organizes courses to teach techniques for circumventing Western embargoes and restrictions on Russian companies.

⁸ Regulations 269/2014 and 833/214, as well as two Regulations implementing these Regulations.

⁹ Purchase bans, restrictions targeting new Russian oil companies, expansion of the ghost fleet, reinsurance ban.

¹⁰ Restrictions on crypto assets and extension of restrictions on Russian or third-country financial institutions or Russian or third-country entities perceived as circumventing European restrictions.



2. **Fight against money laundering (AML/CFT)**

2.1 **European developments**

The EU list of non-cooperative jurisdictions for tax purposes was updated on 10 October 2025 by the Council of the EU¹¹. For the record, this list justifies the fact that institution subject to AML/CFT associate a high risk of money laundering with customers tied to those jurisdictions.

At the end of July 2025, the European Banking Authority (EBA) presented its fifth report on AML/CFT risk analysis for the financial sector. The report reveals that vulnerabilities are often caused by the inappropriate use of RegTech solutions, but also by growing and poorly controlled interconnection with innovative providers (e.g. crypto-asset providers). The EBA also highlighted the difficulty in understanding the rise of fraud using artificial intelligence.

In mid-August, the EBA published another report on the use of technological tools by supervisory authorities. The report revealed that the use of new technologies by supervisory authorities varies in effectiveness from country to country. In France, the ACPR presented early October 2025 its own software used for supervising the institutions subject to its supervision¹².

With regard to crypto-asset service providers, the European Supervisory Authority (ESMA) stated in July 2025 that certain national authorities (e.g. in Malta) do not meet the same standards as others in terms of AML/CFT effectiveness requirements¹³. Along with other authorities, the French securities regulator (AMF) ruled to block the free provision of services in Europe for providers deemed to be non-compliant.

2.2 **National developments**

National developments on the subject of AML/CFT primarily concern the French aspect of the CumCum fraud case (mentioned in our [previous newsletter](#)), which involves more than ten banks; one of them has just ended criminal proceedings by entering into a deferred prosecution agreement¹⁴.

The latest legislative developments concern the law '*aimed at freeing France from the trap of drug trafficking*'¹⁵. The circle of institutions subject to AML in the non-financial sector has been expanded. The law also modified the definition of money laundering¹⁶. It also changed the regulatory framework for training for institutions subject to AML, referring to a Decree to set the terms and conditions for certification of mandatory training. Finally, it ruled that deregistration of companies that fail to declare their beneficial owners is now possible for the companies registrars.

The French Intelligence Unit (Tracfin) also made headlines in September 2025 with its new list of money laundering cases. Those concerning short-lived companies (known as 'taxis') caught the attention of the Ministry of Action and Public Accounts¹⁷ and the ACPR (feedback in mid-July 2025 on the use of so-called 'rebound' bank accounts)¹⁸.

¹¹ The 11 countries/territories covered are American Samoa, Anguilla, Fiji, Guam, Palau, Panama, Russia, Samoa, Trinidad and Tobago, the US Virgin Islands, and Vanuatu.

¹² LUCIA, at its ACPR-AMF Fintech forum on 9 October 2025.

¹³ The European Anti-Money Laundering Authority (AMLA), which has been responsible since 1 July 2025, has also committed to ensuring that the crypto sector develops within a framework of fair competition.

¹⁴ Deferred prosecution agreement (CJIP) dated 5 September 2025 concluded by Crédit Agricole.

¹⁵ Act of 13 June 2025 referred to in our [summer 2025 newsletter](#).

¹⁶ The amendment allows the starting point of the limitation period to be postponed to the day on which the offence occurred and could be detected under conditions allowing for the initiation or exercise of public prosecution.

¹⁷ Press release dated 23 October 2025. For the record, these companies are set up to transfer funds abroad; they are one of the main vehicles for laundering banked funds derived from tax/social security fraud.

¹⁸ The ACPR focused its investigations on 13 French banks that had received half of the amounts of fraudulent transfers reported in France, demonstrating that France's AML/CFT measures are not fully effective. In November, the European Commission also unveiled its strategy to combat VAT fraud.

Finally, the news concerns the entry into force on 1 October 2025 of a Decree listing the authorities eligible to receive Tracfin reports upon receipt of suspicious activity reports from regulated institutions. Surprisingly, the Decree does not mention any European authorities...

3. Payment services

3.1 European developments

Since 9 October 2025¹⁹, payment service providers located in the eurozone are not only required to offer their customers access to instant credit transfers (if they already offered traditional credit transfers), but also a service alerting said clients to any discrepancies between the name of the beneficiary associated with a transfer order and the IBAN provided.

Although the main players have anticipated these new rules, they are straying from the spirit of the rules when they issue alerts about a 'possible' discrepancy when the payer's information is consistent with that of the beneficiary's bank. This service should reduce the high volume of disputes sometimes referred to as 'disputed payments'²⁰. This new service is important, as French case law teaches that when a payer authorizes a transfer to the wrong beneficiary, he/she is not necessarily eligible for a refund.

The comprehensive reform of payment services (PSD3) entered the trilogue phase²¹ when the Council of the EU adopted its negotiating position on 18 June 2025²² and the European Parliament published a summary of the key features of the reform in August 2025. In September 2025, the ACPR took stock of Open Banking in France, then in October highlighted the prospect of the roll-out of Open Finance, which is still in the pipeline on the European legislative side.

The adoption of a European digital currency, aimed at breaking free from the dominant American systems (Visa and Mastercard), is certainly relevant for the sanctioned magistrates of the International Criminal Court. The ECB detailed its use cases at the end of September 2025²³. It seems more difficult to understand, given that two major players in European sovereign payments²⁴ announced at the end of June 2025 that they wanted to collaborate so to enable European citizens to send and receive payments transparently and at low cost across the continent.

With respect to the issuance of stablecoins, the Commission published in October 2025 technical standards on liquidity management for stablecoin issuers. In September 2025, in response to the adoption in July by the United States of a US legal framework on crypto assets (Genius Act) that was less stringent on issuer liquidity, the European Central Bank called on European legislators to require robust safeguards and equivalence regimes from foreign issuers.

¹⁹ Instant Transfer Regulation. In this context, it is worth noting an important Decree dated 1 September 2025, which opens the door to payment systems for payment institutions/electronic money institutions, whereas historically these systems were only open to banks. This development is in line with an ECB guideline dated 31 July 2025 on the Target system, published in mid-September.

²⁰ As indicated by the Commercial Chamber of the Court of Cassation in its quarterly letter of July 2025. It should be noted that this dispute continues, including before the Court of Justice of the EU, with a notable ruling on 1 August 2025 (Veracash) which provides a cross-reference between seemingly contradictory obligations (to report an unauthorised or incorrectly executed transaction (i) without delay and (ii) no later than thirteen months). The ECJ considers that late reporting (even if performed within 13 months) excludes, in principle, the right to refund.

²¹ Similarly, with regard to the transition from open banking to open finance (FIDA reform), the ACPR published feedback in mid-September and early October 2025, respectively.

²² Its mandate focused in particular on anti-fraud aspects, which it sought to strengthen by including electronic communications service providers within the scope of the legislation.

²³ The ECB's goal of making the digital euro a tool for inclusion and accessibility seems difficult to believe as it alternately refers to the uses of 'conditional payments' and 'integrated electronic receipts'.

²⁴ The EuroPA alliance, represented by Bancomat, Bizum, MB WAY (SIBS) and Vipps MobilePay, on the one hand, and EPI, represented by 16 other European financial institutions, on the other.

3.2 National developments

In France, a law passed on 6 November 2025 created a database of IBANs reported as suspicious in order to better combat scams involving fraudulent IBANs²⁵. It also established new rules for reporting forged cheques to the Bank of France²⁶.

With the French implementation²⁷ of the recast Consumer Credit Directive, the rules on what is known as 'BNPL' (buy now, pay later)²⁸ are being amended, along with those on bank overdrafts.

4. Insurance

At European level, the adoption at the end of October 2025 by the European Commission of the amendment to the delegated regulation (2015/35) associated with the reform of the Insurance Directive (Solvency II), applicable on 30 January 2027, completes this reform.

With the ACPR recommendation on the duty to provide advice on insurance ([Winter 2024-2025 newsletter](#)) due to come into force on 31 December 2025, the ACPR published in September a reminder of the four goals that a customer can legitimately expect from a support service at the time of subscription and throughout the life of each insurance product in order to justify remuneration²⁹.

In mid-September 2025, the ACPR published a reminder of the conditions under which canvassing activities in the sector may be conducted from a country outside the EEA.

As of 1 January 2026, insurance companies must ensure that they comply with the authorisation forms updated by the ACPR, as published on 20 November 2025.

5. Investment services and asset management

Early October the European legislator formally adopted the Regulation establishing a T+1 settlement cycle for securities by 11 October 2027 (see [previous newsletter](#)).

In addition, at the end of September, ESMA published guidelines on outsourcing to cloud service providers, which apply to depositaries of coordinated funds (UCITS) and non-coordinated funds (AIFs). In mid-July, the ECB published its guide on outsourcing cloud services to providers of this type of service.

On 18 July 2025, the French Government adopted a Decree on collective investment schemes. This implements a simplification project, the broad outlines of which were set out in March 2025. Another Decree of 4 August follows the same logic, with various relaxations for specialized professional funds, professional private equity funds and real estate funds.

The AMF Enforcement Committee imposed three penalties³⁰ on a Danish bank and two portfolio management companies for violations ranging from breaches of conflict-of-interest rules to anti-money laundering failures and breaches of disclosure and loyalty requirements.

²⁵ The terms and conditions for payment service providers to consult this file are yet to be specified in a Decree to be published, which is expected to come into force around 7 May 2026.

²⁶ See the above-mentioned ACPR finding on the failure to neutralize rebound/fraudulent accounts.

²⁷ Fast track law of 3 September 2025, implementing Directive of 18 October 2023, applicable as of 20 November 2026.

²⁸ *Buy Now Pay Later*.

²⁹ This involves implementing the requirements of the Green Industry Act of 23 October 2023, incorporating customer preferences regarding investment sustainability, ensuring that policyholders do not take out insurance when they are already covered, and, more generally, extending the duty to advise to all types of insurance.

³⁰ Respectively, the decisions of 16 July, 11 September and 15 September 2025.

6. Sustainable finance

In October, the European Parliament rejected the simplified text on the duty of care (CS3D) that had been submitted to it; it finally adopted a less restrictive text on 13 November 2025.

In parallel with this simplification process, on 20 November 2025 the Commission proposed an amendment to the Sustainable Finance Disclosure Regulation (SFDR) aimed at aligning it with the Commission's February 2025 "Omnibus I" simplification measures (CSRD)³¹.

In France, in November 2025, the financial sector supervisory authorities proposed a series of practical solutions to help professionals integrate their clients' sustainability preferences into their advisory services. In cases where investors have expressed an interest in sustainable investment without specifying their preferences, professionals can offer a simplified questionnaire with a range of sustainability preference criteria to choose from.

7. Other European or national developments impacting financial services

As part of the application of prudential rules for credit institutions, the European Banking Authority (EBA) published early July 2025 its draft guidelines on what constitutes ancillary activities to banking activities, taking into account the limits that must not be exceeded.

On 18 November 2025, the European Supervisory Authorities (ESAs, i.e. the EBA, ESMA and EIOPA) published a list of around 20 critical IT service providers subject to direct supervision under the Digital Operational Resilience Act (DORA)³². On the same subject, the ACPR has declared itself to be in compliance with various guidelines issued at EU level. In early September 2025, it updated its frequently asked questions section, which is based on the four pillars of this very important Regulation.

On 8 October 2025, the European legislator adopted a Regulation (amending several others) to streamline various reporting requirements in the field of financial services.

Between July and October 2025, the European Commission published a series of twelve implementing regulations for the application of the eIDAS2 Regulation. As a reminder, eIDAS2 not only imposes the mandatory mutual recognition of digital identities in Europe, thereby facilitating cross-border procedures, but also extends its scope to the private sector. This should pave the way for trust services shared between public and private actors, such as the French digital identity in France, under the aegis of a European digital identity portfolio, which is taking shape with a draft Regulation published on 19 November 2025. The European Commission also published on the same date its 'Digital Omnibus', a 'package' of simplification rules on texts such as the AI Regulation, the GDPR, the NIS2 Directive and DORA.

In a communication dated 17 November 2025, the ACPR drew the financial sector's attention to a statement by the G7 cyber expert group in September 2025 that AI technologies³³ offer opportunities to strengthen operational resilience and improve risk management systems, but also introduce new vulnerabilities that could be exploited by malicious actors, hence the recommendation to integrate AI risks into cyber resilience.

³¹ With regard to the latter Directive, in the middle of the summer the Commission published a recommendation on a voluntary sustainability reporting standard for small and medium-sized enterprises.

³² In mid-July 2025, these same authorities published a guide on these types of service providers. In the middle of summer, a panel of European financial institution federations alerted this joint committee that national authorities were adopting different approaches to which information technology (IT) services should or should not be included in national IT service registers.

³³ It should be noted that at the end of July 2025, the European Commission published online, in the various EU languages, the two sets of guidelines on AI that it had released in February 2025.