



Newsletter – Financial services

Winter 2025-2026

The prudential evolution of U.S. rules¹ appears to grant American banks greater latitude to invest in secured crypto-assets (stablecoins). Faced with this potentially systemic development, European and French supervisory authorities (e.g. ACPR) intend to commit fully in 2026 to revising the MiCA Regulation, as well as providing a regulatory framework for decentralized finance (DeFi)..

Furthermore, because the development of artificial intelligence (AI) in the financial sector generates significant opportunities — including for enhanced internal controls and more targeted supervisory strategies — the ACPR intends to play its full role in ensuring the proper implementation of the European AI Regulation by institutions in the banking and insurance sectors.

As regards regulatory developments, although the European Commission has initiated a movement to simplify regulatory texts (particularly those affecting the financial sector), such simplification is not yet reflected in the texts published over the past quarter. The political agreement reached in the Trilogue on the reform pertaining to retail investment package is the latest illustration of this trend.

In the payments sector, the Trilogue agreement on the revision of the European framework governing payment services opens the way for publication of the new texts by summer 2026.

With respect to money-laundering matters, criminal proceedings initiated for money-laundering offences continue to increase², showing that public authorities are making full use of this legal basis to protect the revenue side of the State budget.

1. Financial Sanctions against Russia

Although the Council has not adopted a new package of sanctions since our [previous newsletter](#)³, it has added 41 vessels to the list of “phantom fleet” ships targeted by its restrictive measures⁴. In addition, while the same Council has extended until 31 July 2026 its restrictive measures in response to Russia’s actions destabilizing the situation in Ukraine⁵, it also adopted on 12 December 2025 a new Regulation establishing a prohibition on the direct or indirect transfer of assets or reserves of the Central Bank of Russia⁶. However, it did not succeed in adopting the planned reparations loan mechanism for damage caused to Ukraine — a mechanism intended to be backed by frozen Russian assets — because of legal risks such a system could impose on financial institutions holding frozen funds.

¹ Interpretative Letter No. 1188 of 9 December 2025 from the Office of the Comptroller of the Currency.

² This is illustrated by the searches carried out at the end of 2025 at the headquarters of the telephone operator SFR, for which the selection of candidates for its takeover could take place during the first quarter of 2026. Beyond that, we can see that Deferred Prosecution Agreements (CJIP) are more often in the news.

³ Aside from strengthened sanctions against Belarus (Regulation of 15 December 2025). Price-cap adjustment mechanism for Russian crude entered into force.

⁴ Amending Regulation (to # 833/2014) of 18 December 2025.

⁵ Council extended restrictive measures until 8 December 2026 regarding serious human-rights violations.

⁶ Includes persons or entities acting on behalf of the Central Bank of Russia, including the sovereign wealth fund. It based such adoption on the qualified majority voting rules whilst Council sanctions are ordinarily adopted by unanimity.



2. Fight against money laundering (AML/CFT)

2.1 European developments

In [summer 2025](#), we discussed the draft regulatory technical standards (RTS) and implementing technical standards (ITS) proposed by the European Banking Authority (EBA) under the new European AML-CFT framework⁷. These standards were expected to be taken over by the newly created Authority (AMLA) during the last quarter of 2025. It is in this context that AMLA published, at the end of December 2025, its first draft RTS on (i) cooperation for AML-CFT supervision within the scope of direct supervision and (ii) the thresholds of activity and risk at which direct supervision should apply.

As a reminder, AMLA must, by 10 July 2026, propose around twenty texts⁸ — or adopt and carry forward existing ones — for subsequent publication in final form by the European Commission. Our next update will provide a progress report on these texts.

Financial sector actors should not forget to apply enhanced vigilance to transactions involving newly listed high-risk third countries identified by the European Commission and should prepare for the imminent addition of Russia to this list⁹.

2.2 National developments

National developments continue to be driven by the ongoing judicial news surrounding the CumCum tax-fraud scheme, [previously discussed](#). Through a new Deferred Prosecution Agreement (CJIP), a second major bank has now brought an end to criminal proceedings brought against it¹⁰.

A bill aimed at combating social and tax fraud, already mentioned in earlier updates, is continuing through the parliamentary process. Notably, it introduces a new category of obliged entities under AML-CFT rules, covering certain “*professionals who put drivers or transport companies in contact with passengers for the provision of transport services*”¹¹.

This new text is distinct from the law dated 6 November 2025 (applicable from 7 May 2026), which is intended to strengthen efforts against bank fraud. As a reminder, the legislator has created a national register of bank accounts flagged for fraud risk (FNCS-RF), supplied by banking institutions and managed by the Banque de France. The regime depends on the adoption of a forthcoming decree specifying how the register will operate¹². This measure is consistent with a similar provision under development as part of the reform of the historic payment-services framework (PSD2).

French AML-CFT developments are also shaped by the annual report published in early December by the Council for the Prevention of Money Laundering and the Financing of Terrorism (COLB). The report is useful in that it provides estimates of the number of obliged entities in the financial sector — crucial data for assessing the risks that financial institutions must consider when providing services to this group.

⁷ RTS/ITS texts published in more complete form in October 2025.

⁸ AMLA may adopt existing texts as is.

⁹ Several countries have been added (Bolivia and the British Virgin Islands), while others have been removed (South Africa, Burkina Faso, Mali, Mozambique, Nigeria and Tanzania). It was difficult to understand why Russia was not on the list, given that the country is naturally involved in circumventing the sanctions imposed on it and the associated money laundering. The European Commission took the plunge in early December 2025, with implementation likely to begin in early 2026.

¹⁰ CJIP of 6 January 2026 concluded by HSBC Plc. Another CJIP, dated 2 December 2025, was concluded by Banco Santander for offences of a different nature, although they were also based on the laundering of proceeds from various offences.

¹¹ Delimitation under Article L3141-1 of the French Transport Code.

¹² Decree to clarify obligations for the FNCS-RF register.



Lastly, for educational purposes aimed at money-remittance actors, the ACPR published on 9 December 2025 the results of its supervisory inspections conducted between 2020 and 2024, highlighting the key areas requiring improvement.

Finally, we note that the Government has initiated a bill authorizing it to adapt French law to the European AML-CFT legislative package¹³. The same bill also amends the accessibility of information in the register of ultimate beneficial owners, in response to recent kidnapping cases in which public access to this register may have facilitated the perpetrators' actions.

3. **Payment services**

3.1 **European developments**

The Parliament and the Council announced on 27 November 2025 that they had reached an agreement on the latest version of the two texts intended to overhaul PSD2. Publication of the final text can therefore be expected before the end of the first half of 2026.

One major development is the increased liability of intermediation platforms: they may be held financially responsible for ongoing fraud cases that have been notified to them by financial-sector actors. Platforms classified as “very large” will also bear strict liability for ensuring the lawfulness of the financial services they host. Additionally, the co-legislators have set limits on the use of chatbots in exchanges between payment service providers and their clients.

3.2 **National developments**

French case law on what is commonly referred to as “disputed payments” continues to evolve, although decisions vary depending on whether the clients involved are individuals or businesses. The most recent trend¹⁴ favours the principle of a bank’s duty of non-interference in its clients’ affairs, in connection with the obligation to alert the customer “*when faced with obvious anomalies that should be easily detectable by a normally diligent professional.*”

As part of the implementation of the regulatory framework governing crypto-assets (MiCA), the ACPR published on 15 December 2025 the model legal opinion it expects to receive when authorizing public offerings of asset-referenced tokens (ARTs) issued by credit institutions or other entities.

The framework for By Now Pay Later (BNPL) continues to evolve¹⁵, following a new fast-track law that supplements another [discussed previously](#). The Government relies on this fast-track law to modify the meaning of a derogation from the banking monopoly that has existed for more than 40 years, historically associated with credit by suppliers. The modification does not appear to concern relationships between professionals, meaning that it applies exclusively to consumer credit (BNPL).

4. **Investment services and asset management**

In early December 2025, the European Commission unveiled the broad contours of texts aimed at better integrating markets within the EU (the Capital Markets Union). The initiative stems from the observation that the EU has 300+ trading venues, 14 central counterparties (CCPs) and 25 central securities depositories (CSDs) authorized — plus 7 others managed by national central banks — whereas the United States has only 2 CSDs and 8 CCPs.

¹³ Article 10 of the new DDADDUE bill of 10 November 2025.

¹⁴ Commercial Chamber decisions of 14 Nov 2025 and 14 Jan 2026 (contractual vs tort liability).

¹⁵ BNPL framework updated by 2 December 2025 ordinance (supplementing 3 September 2025, applicable 20 Nov 2026).



At the same time, a political agreement was reached on 19 December 2025 between the European Parliament and EU Member States on the retail investment strategy. The agreement covers the entire consumer investment journey. It consists of an amending directive, which revises the existing rules of several directives on investment or insurance products¹⁶, and an amending regulation on packaged retail and insurance-based investment products (PRIIPs).

The regulatory shift would place the largest market operators under the European Securities and Markets Authority (ESMA), leaving national authorities to supervise the smaller players — if they manage to exist. ESMA's European-level supervision would also cover crypto-asset service providers, while investment funds and other asset managers would continue to be supervised by the competent national authorities, subject to ESMA arbitration in the event of disagreements between national authorities.

In France, within the same DDADUE bill referenced in the AML-CFT section, the Government plans to seek authority to transpose by ordinance the so-called "AIFM2" Directive on alternative investment funds (AIFs)¹⁷. This was timely, as the Directive comes into effect on 16 April 2026. It does not apply only to AIFs: it also requires UCITS (funds aimed at retail clients) to implement liquidity-risk management tools.

On the enforcement front, a lengthy Sanctions Committee decision was notably handed down in mid-December against an asset-management company active in real-estate investment. The decision lists numerous shortcomings, ranging from issues with its licensing file, investment/divestment processes, distributor remuneration, client categorization, and AML-CFT weaknesses.

Finally, at the end of December 2025, a revised version of an old cooperation between the AMF and the DGCCRF was formalized; this could notably target wealth-management advisors or other unregulated actors, such as influencers.

5. **Sustainable finance**

Sustainable finance is easing with the entry into force on 1 January 2026 of a Delegated Regulation simplifying the so-called "Taxonomy" Regulation¹⁸, and with the European Parliament's position of 16 December 2025 on revising several sustainable-finance directives — including (i) corporate sustainability disclosures and (ii) corporate due diligence in sustainability matters (CS3D) — while other simplification rules (e.g., CSRD and SFDR) remain under review.

This movement is reinforced by the European Commission's proposal of 10 December 2025 for a package of draft rules aimed at simplifying various industrial rules, including environmental legislation on industrial emissions and the circular economy.

6. **Other European or national developments impacting financial services**

In the European banking sector, on 11 December 2025 the ECB Governing Council published the recommendations of a working group on simplifying EU banking regulation. One recommendation aims to simplify the structure of banks' capital requirements and buffers, commonly known as "capital stacks."

By publishing in mid-December 2025 the operational framework for qualified European electronic archiving and for qualified website authentication certificates, the European Commission completes the framework applicable to qualified trust-service providers in the eIDAS2 era. The change should establish

¹⁶ Directives on markets in financial instruments (MiFID II), insurance distribution (IDD), undertakings for collective investment in transferable securities (UCITS), alternative investment fund managers (AIFM) and access to and exercise of insurance and reinsurance activities (Solvency II).

¹⁷ Directive (EU) 2024/927 on delegation, liquidity-risk tools, reporting, depository and lending by AIFs.

¹⁸ Regulation 2026/73 of 8 January 2026 simplifying taxonomy disclosures.



a presumption of integrity and origin for documents kept by a qualified provider, reversing the burden of proof, which is critical for commercial or judicial uses.

In France, by fast-track law of 5 January 2026, the Government implementing the Directive amending the rules on distance marketing of financial services¹⁹. Applicable from 19 June 2026, the text first strengthens the right of withdrawal by creating a functionality that professionals must provide when a consumer concludes a distance contract electronically.

The ACPR published on 19 January 2026 its 2026 work program structured around five pillars²⁰, in line with the European supervisory framework. It also set three priorities for its action, including work on banking and insurance resolution.

¹⁹ Directive 2023/2673 replacing Directive 2002/65 (distance marketing).

²⁰ Beyond simplification measures (on sustainable finance), the ACPR will step up its monitoring of operational risks and outsourcing in the IT and cyber fields. In particular, the ACPR says it wants to step up its controls on incident management, the implementation of information and communication technology (ICT) risk management frameworks, and the compliance of contracts entered into with IT service providers. The ACPR also intends to continue its work in favour of Value For Money, which requires financial sector players to sell products that are relevant and useful to customers. This commitment is in line with that expressed by the European legislator on retail investment strategy (see political agreement mentioned above).

