Irish Funds & Regulatory Quarterly Update

1 April – 30 June 2026

Index

Central Bank of Ireland ("CBI") Updates

CBI Updates

D&I and fund board effectiveness – CBI's Report

On 20 April 2026, the CBI published its Feedback Report, *Board Effectiveness Review through the Lens of Diversity and Inclusion*, setting out the findings of its first standalone review of diversity and inclusion ("D&I") in the fund management company sector. The review examined board and senior management composition, board evaluations, succession planning, strategic decision-making and broader D&I practices. While some positive practices were observed, the CBI identified weaknesses across all firms, largely driven by differing levels of understanding of how D&I supports effective governance.

The Report highlights that embedding D&I at board and senior management level can strengthen decision-making and overall board effectiveness. Good practices included structured D&I frameworks, diverse professional and educational backgrounds at board and SMT level, and proactive recruitment approaches. However, areas for improvement were identified, including gender imbalances (particularly at SMT level), failure to recognise diversity of thought, the absence of D&I metrics and targets, and an over-reliance on CSR initiatives rather than workplace-focused D&I measures. The CBI also noted inconsistencies in how firms assess the independence and tenure of independent non-executive directors.

Board evaluation and succession planning were further areas of focus. While all firms conducted annual board evaluations and had succession plans in place, the quality varied significantly. Strong practices included the use of skills matrices that incorporate D&I considerations and detailed, forward-looking succession plans. Weaknesses included overly simplistic evaluation methods, limited assessment of inclusivity and board dynamics, outdated or vague succession plans, and a lack of accountability for maintaining and updating these processes.

In light of the findings, the CBI expects fund management companies to review the Report, assess their governance and board effectiveness through a D&I lens, and address any identified gaps. Firms are expected to develop and implement mitigating actions where weaknesses exist and to continue reviewing their arrangements to ensure they remain effective and fit for purpose.

For further information, please see link to our full Simmons Insights Article and the CBI's Feedback Report.

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Financial Services Regulation
Link	Simmons Insights Article CBI Feedback Report

Next Steps

Fund management companies must conduct a structured internal review of governance through a diversity and inclusion (D&I) lens, address any gaps with clear remediation plans, and embed ongoing monitoring to evidence progress. The CBI expects firms to demonstrate active engagement and continuous improvement, not just high-level acknowledgement.

CBI Updates

Regulatory & Supervisory Outlook Report for 2026

As previously outlined in our Simmons Insights article and the Q1 2026 Irish Funds and Regulatory Update, the CBI's Regulatory & Supervisory Outlook 2026 continues to shape supervisory engagement in Q2 and sets a clear regulatory focus for the Irish funds sector. As previously advised, the CBI's key priorities include:

- the effectiveness of governance and oversight frameworks;
- the management and monitoring of delegation and outsourcing arrangements;
- operational and cyber resilience; and
- liquidity and leverage risk management.

These areas reflect the CBI's view that weaknesses in governance and risk controls remain a leading driver of supervisory concern and investor risk across the sector.

The CBI expects boards and senior management to actively consider these priorities when overseeing governance arrangements, setting risk appetite and making strategic decisions throughout 2026.

In practice, this includes ensuring robust board oversight of delegated activities, clear accountability and challenge at board level, effective liquidity risk management (including use of liquidity management tools), and ongoing assessment of operational and outsourcing risks to ensure firms remain resilient and fit for purpose.

For further information, please see links to our Simmons Insights article, Q1 2026 Irish Funds and Regulatory update along with the CBI's Regulatory Supervisory Outlooks Report.

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Financial Services Regulation
Link	Simmons Insights article Simmons Q1 2026 Irish Funds and Regulatory Update CBI Regulatory & Supervisory Outlook

Next Steps

Boards should note the CBI's 2026 priorities, ensure they are embedded in board planning, obtain assurance (and any necessary gap analysis) on governance, delegation, operational resilience and liquidity risk, and continue active oversight with periodic updates through 2026.

CBI Updates

No fair procedures applied by the CBI

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Financial Services Regulation
Link	Simmons Insights Article

The High Court decision in CBI v CD represents a significant development in the application of the fitness and probity ("F&P") regime in Ireland, particularly in relation to procedural fairness. While the CBI has operated the regime since 2011 under its own processes, recent case law suggests increasing scrutiny of whether those processes meet the standards of natural and constitutional justice. In CD, the High Court refused to confirm a Prohibition Notice issued against a senior executive, finding that the CBI had failed to afford basic fair procedures throughout its investigation.

The case arose in the context of an Irish fund management company with delegated investment management to a UK affiliate, where CD held multiple senior roles. Issues emerged following a UK-led internal investigation, subsequent regulatory disclosures, and a temporary suspension of certain fund redemptions. The CBI concluded that CD had failed to discharge his duties properly and had not been sufficiently candid with the regulator, issuing a Prohibition Notice prohibiting him from performing controlled functions. However, when challenged, the High Court found that there was no "reasonable basis" for this conclusion due to serious procedural deficiencies.

In particular, the Court identified multiple failures in the CBI's approach, including not interviewing CD despite describing him as a key witness, failing to interview other relevant witnesses, denying CD an oral hearing, and attempting to rectify these issues only at a late stage in a manner deemed inadequate. The Court emphasised that where allegations relate to honesty and credibility, individuals are entitled to robust procedural protections, including the full suite of rights outlined in Re Haughey, given the potentially severe consequences for reputation and career.

☑ Key Findings

The High Court refused to confirm the Prohibition Notice, finding no reasonable basis for the CBI's conclusions due to serious breaches of fair procedures and constitutional justice.
It emphasised that allegations relating to honesty and credibility require full procedural protections, which were not afforded to CD, undermining the validity of the process.
The High Court's decision focused on four main deficiencies in the process adopted by the CBI:

- Failure to interview CD;
- Failure to interview witnesses identified by CD
- Absence of an oral hearing; and
- Belated attempts to remedy defects.

For further information, please see link to our full Simmons Insights Article

CBI Updates

Continued – No fair procedures applied by the CBI

This decision builds on earlier criticism of the CBI's processes, including findings by the Irish Financial Services Appeals Tribunal in 2024, and raises broader questions about the adequacy of procedural safeguards within the F&P regime. Although the CBI has since introduced revised guidance and consulted on improvements, the judgment suggests that further enhancements may be required to fully embed fair procedures into both its gatekeeping and enforcement functions.

Overall, the case signals a clear shift towards stricter judicial oversight of the CBI's processes, with implications for how investigations are conducted going forward. The standard of fairness expected is now akin to that in serious employment disciplinary matters, requiring full transparency, the right to respond, and meaningful engagement at all stages. For firms and individuals, this underscores the importance of careful navigation of regulatory interactions, particularly where complex governance arrangements and cross-border responsibilities are involved.

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Financial Services Regulation
Link	Simmons Insights Article

Key Findings

The High Court refused to confirm the Prohibition Notice, finding no reasonable basis for the CBI's conclusions due to serious breaches of fair procedures and constitutional justice.
It emphasised that allegations relating to honesty and credibility require full procedural protections, which were not afforded to CD, undermining the validity of the process.
The High Court's decision focused on four main deficiencies in the process adopted by the CBI:

- Failure to interview CD;
- Failure to interview witnesses identified by CD
- Absence of an oral hearing; and
- Belated attempts to remedy defects.

For further information, please see link to our full Simmons Insights Article

CBI Updates

CBI publishes Markets Update No.5 of 2026

On 5 May 2026, the CBI published Issue 5 of its 2026 Market Update, which included a feedback statement on Consultation Paper 162 ("CP162") and a revised AIF Rulebook. CP162, consulted on between September and November 2025, proposed amendments to the AIF Rulebook alongside related updates to the UCITS framework. The consultation received 15 responses, which were generally supportive of the CBI's proposals.

Following industry feedback, the CBI has incorporated a number of changes and minor clarifications into the revised AIF Rulebook. Overall, the update signals a continuation of the CBI's efforts to refine and enhance its regulatory framework for AIFs, while taking account of stakeholder input to ensure clarity and practical application.

For further information, please see links to our full Simmons Insights Article along and to the CBI's markets update.

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Simmons Insights Article CBI markets update No. 5

CBI Updates

CBI publishes Markets Update No.6 of 2026

On 7 May 2026, the CBI published Issue 6 of its Market Update, focusing on a notice of intention regarding the application of ESMA's Guidelines on Liquidity Management Tools ("LMTs") for UCITS and open-ended AIFs. The CBI confirmed that it expects full compliance with the Guidelines from 7 May 2026, signalling immediate supervisory expectation rather than a transitional approach.

The update also links to proposals under CP161, which indicate how LMT requirements will be embedded into the Irish framework. In particular, fund managers are expected to consider selecting at least one quantitative-based LMT (such as redemption gates, extended notice periods or redemption in kind) and at least one anti-dilution LMT (such as swing pricing, redemption fees, dual pricing or anti-dilution levies). These requirements, however, are subject to specific derogations for money market funds under the relevant UCITS Directive and AIFMD provisions.

Overall, the update reinforces the CBI's increasing focus on liquidity risk management and alignment with EU-level reforms, with firms expected to ensure their frameworks, documentation and operational processes reflect the new LMT requirements in practice.

For further information, please see links to our full Simmons Insights Article along and to the CBI's markets update.

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Simmons Insights Article CBI markets update No. 6

CBI Updates

CBI publishes Markets Update No.7 of 2026

On 26 May 2026, the CBI published Issue 7 of its Market Update, highlighting two key regulatory developments. First, it flagged ESMA's call for evidence on the structure of European equity markets, which examines how trading has evolved between 2022 and 2025 and seeks industry feedback on market trends and their regulatory implications, with responses due by 30 June 2026.

Secondly, the CBI issued a notice of intention regarding ESMA's updated Guidelines on stress test scenarios under the Money Market Fund ("MMF") Regulation. These Guidelines establish common parameters for MMF stress testing and apply from 26 May 2026, with the CBI confirming that it expects immediate compliance by firms.

For further information, please see links to our full Simmons Insights Article along and to the CBI's markets update.

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Simmons Insights Article CBI markets update No. 7

Timing

26 May 2026

The CBI expects full compliance with the Guidelines from 26 May 2026.

CBI Updates

CBI publishes Markets Update No.8 of 2026

On 8 June 2026, the CBI published Issue No 8 2026 of its regular Markets Update, in which it sets out alerts of interest to Irish regulated firms and other market participants. For our summaries of the previous issues, please see the right-hand column of this page.

The new update contains two items:

CP168 – Guidance on Money Market Fund Weekly Liquid Asset levels
On 8 June 2026, the CBI published Consultation Paper 168 in which it sets out proposed Guidance on Money Market Fund (MMF) Weekly Liquid Asset levels. The consultation period closes on 3 August 2026.

The European Commission's recent report (the "Report") on the MMF Regulation identified 'market resilience levels' of Weekly Liquid Assets (WLA), which would help EU MMFs withstand future market stress events. The CBI is now consulting on guidance setting out its expectations for MMFs to align their liquidity risk frameworks and WLA with the levels set out in the Report. It would also implement elements of the policy proposals and recommendations which have been issued variously by the FSB, IOSCO, the ESRB and ESMA to increase the overall level of MMF liquidity to be used in times of liquidity stress.

IOSCO AI Supervisory Toolkit – Feedback Survey and Industry Practices Review
On 25 May 2026, IOSCO published its Report, "Supervisory Toolkit for AI Use in Capital Markets", together with an extract, the Standalone Toolkit itself. IOSCO's attention will now focus on emerging industry practices across governance, disclosure, and recordkeeping and reporting of AI systems in capital markets.

To inform this work, IOSCO's Report includes a Feedback Survey and Industry Practices Review – this is open for responses until 26 June 2026.

For further information, please see links to our Simmons Insights Article along and to the CBI's markets update.

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Simmons Insights Article CBI markets update No. 8

Timing

3 August 2026

CP168 Consultation closes

26 June 2026

IOSCO Feedback survey and Industry practise review is open for responses until this date.

CBI Updates

CBI publishes Markets Update No.10 of 2026

On 24 June 2026, the CBI published Issue No 8 2026 of its regular Markets Update, in which it sets out alerts of interest to Irish regulated firms and other market participants.

EU T+1 Industry Event

The EU T+1 Industry Committee has announced an industry event in collaboration with Euroclear, Banque de France, and PWC. The event will feature speeches from representatives from the T+1 Committee and ESMA as well as figures from various financial institutions and industry groups for panels on T+1 preparation. The T+1 Committee will also present the findings of it's latest survey on T+1 readiness. The event will be hosted and the Banque de France Headquarters in Paris and will be available online.

EMSA Statement on unauthorised CASPs

The EMSA has issued a statement warning unauthorised Crypto Asset Service Providers ("CASPs") to wind down operations ahead of the authorisation deadline on 1 July 2026. The Markets in Crypto Assets ("MiCA") Regulations transition period will end on 31 June 2026, and the requirement for authorisation under the EMSA will come effect after this date across all Member States regardless of whether national implementation has been completed.

The EMSA has warned consumers and companies that many providers have not completed the authorisation process and they will not benefit from MiCA safeguards with unauthorised providers. The EMSA advises clients of CASPs to check the authorised providers register and confirm their providers have completed authorisation.

The statement also includes directions for CASPs on winding down operations and safeguarding their clients interests.

For further details, please see link to the CBI website

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	CBI Markets update no. 10

CBI Updates

Supervisory focus on compliance function

The CBI's 2026 Thematic Assessment on compliance functions in MiFID investment firms highlights that, while firms generally demonstrate a good understanding of their regulatory obligations and exhibit a range of good practices, a number of weaknesses remain. The review emphasises that a visible, well-resourced and actively engaged compliance function is critical to reinforcing a strong compliance culture and signalling senior management commitment to regulatory standards.

Positive findings included strong involvement of compliance teams in strategic decision-making, particularly in relation to new products and business lines, as well as adequate resourcing and the use of risk-based compliance monitoring programmes. Many firms also demonstrated good practices in training, horizon scanning and board reporting, with compliance functions playing an active role in embedding regulatory awareness across the organisation.

However, the CBI identified several areas for improvement. These included insufficient succession planning and contingency arrangements for compliance roles, gaps in skills assessment and training programmes, and weaknesses in compliance risk assessment processes, including incomplete or insufficiently detailed compliance frameworks.

A key concern related to governance and oversight, with board and committee minutes often lacking evidence of meaningful discussion, challenge or scrutiny of compliance matters. The CBI expects firms to enhance board engagement and ensure that governance processes clearly document oversight and accountability, reinforcing its broader focus on effective compliance and "tone from the top."

For further information, please see link to our full Simmons Insights Article.

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Regulation and Financial Services Regulation, Financial Institutions
Link	Simmons Insights Article

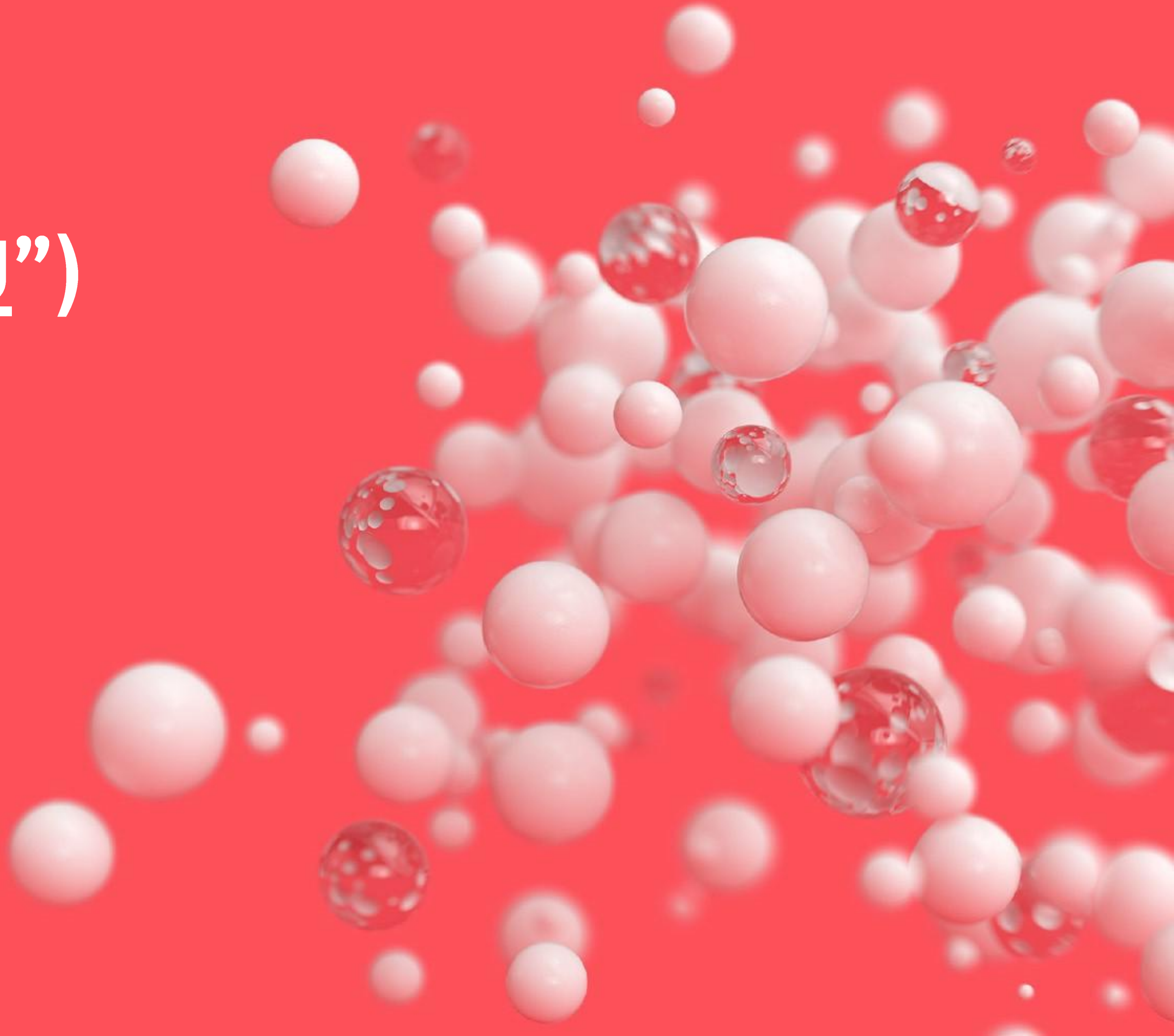
Next Steps for firms

The CBI expects MiFID investment firms to carry out a comprehensive self-assessment of their compliance function against the Thematic Assessment, MiFID II Delegated Regulation and ESMA Guidelines, and to implement timely action plans to address any identified gaps.

Firms should also ensure the assessment is discussed at the next board meeting and appropriately documented in the minutes.

In addition, the CBI reminded firms of their broader conduct obligations, including compliance with the revised Consumer Protection Code and related guidance, and expects firms to continue acting honestly, fairly and professionally in clients' best interests when providing MiFID services.

European Union ("EU") Updates



EU Updates

EBA: Public hearing on revised EU suitability rules

The Capital Requirement Directive 6 ("CRD 6") introduces significant enhancements to the EU framework for assessing the suitability of directors and senior managers in banks, extending its scope to investment firms and third-country branches. In April 2026, the European Banking Authority ("EBA") held a public hearing as part of its consultation on revised Joint ESMA/EBA Guidelines and new Regulatory Technical Standards ("RTS"), aimed at strengthening governance, improving supervisory convergence and aligning the framework with broader EU regulatory developments, while maintaining a proportionate, principles-based approach.

The proposed revisions focus on clarifying supervisory expectations rather than changing underlying legislation. They introduce enhanced expectations around suitability assessments, particularly for larger institutions, including more supervisory involvement and clearer standards for management body members and key function holders. The EBA also emphasised the importance of robust governance, noting that management bodies must understand all material risks (including ICT and ESG), and highlighted the need to clearly allocate roles within the management body while preserving collective responsibility.

The RTS will standardise the minimum information required for suitability assessments, including internal documentation that must be maintained and provided to regulators on request. Firms should therefore review whether their existing frameworks meet these requirements, ensure role allocations and internal processes are clearly documented, and prepare for increased regulatory scrutiny. Final guidelines and RTS are expected in early 2027 following the close of consultation in May 2026.

For further information, please see link to our full Simmons Insights Article.

Update	1 April – 30 June 2026
Regional Impact	Ireland
Sector Focus	Financial Institutions
Link	Simmons Insights Article

Timing

26 May 2026

Public consultation closes.

February 2027

Final Guidelines and RTS targeted for publication.

EU Updates

ESMA Final Report on 2025 CSA on compliance and internal audit functions of AIFMs and UCITS management companies

The ESMA Final Report on the 2025 Common Supervisory Action ("CSA") finds that, overall, UCITS management companies and AIFMs are largely compliant with key AIFMD and UCITS requirements. However, it identifies recurring weaknesses, particularly in the independence of control functions, the quality and practical implementation of internal policies, and the effectiveness of board and senior management oversight. While most firms had policies and procedures in place, their robustness and application varied depending on the size and complexity of the firm.

The CSA also highlighted a range of vulnerabilities, including incomplete internal audit documentation, weak compliance risk assessments, and the absence of structured, risk-based approaches to identifying and addressing compliance risks. In some cases, deficiencies were noted in reporting to senior management, and a small number of regulatory breaches were identified, primarily linked to insufficient independence of control functions.

In response, ESMA has called on national competent authorities ("NCAs") to take follow-up action to address these weaknesses and ensure timely remediation. This includes verifying that firms have comprehensive internal control frameworks, with clear reporting lines, robust risk assessments, effective compliance monitoring plans, appropriate documentation and recordkeeping, and regular training programmes. NCAs are also expected to ensure that compliance and internal audit functions are adequately resourced, properly embedded within organisational structures, and maintain sufficient authority and independence from operational activities.

Update	**1 April – 30 June 2026**
Regional Impact	EU and Ireland
Sector Focus	Financial Services Regulation, Financial Institutions
Link	Simmons Insights Article Final Report

For further information, please see link to our full Simmons Insights Article and the Final Report.

EU Updates

Continued – ESMA Final Report on 2025 CSA on compliance and internal audit functions of AIFMs and UCITS management companies

A strong emphasis is placed on independence, with ESMA expecting control functions to operate free from conflicts of interest and to have appropriate escalation mechanisms where disagreements arise with business units. Proportionality may be considered, but firms must demonstrate that any reduced level of independence is justified and consistent with their risk profile. The compliance function is also expected to actively monitor operational processes, receive relevant information on a timely basis, and be involved in identifying and mitigating regulatory breaches.

Finally, ESMA stresses that firms–particularly those within larger banking groups must not rely solely on group-level risk frameworks. Managers are expected to carry out their own tailored compliance risk assessments, reflecting their specific business models, products, distribution channels and investor base. These assessments should directly inform the development of risk-based compliance monitoring programmes, ensuring that firms can effectively identify and manage their regulatory risks.

For further information, please see link to our full Simmons Insights Article and the Final Report.

Update	1 April – 30 June 2026
Regional Impact	EU and Ireland
Sector Focus	Financial Services Regulation, Financial Institutions
Link	Simmons Insights Article Final Report

EU Updates

ESMA CSA on MiFID II sustainability aspects

ESMA has published the results of its Common Supervisory Action ("CSA") examining how investment firms and credit institutions have incorporated sustainability requirements into their Markets in Financial Instruments Directive II ("MiFID II") suitability assessments and product governance frameworks. While firms have made progress, ESMA found that implementation remains inconsistent and further improvements are required.

Key findings include deficiencies in capturing clients' sustainability preferences, including inconsistent treatment of clients who express no preference. Firms also adopt varying approaches to classifying ESG characteristics of products, which affects their ability to match products appropriately to client preferences. More broadly, weaknesses were identified in how sustainability preferences are integrated into suitability assessments and in adaptation processes, with some firms recommending products before preferences were formally updated.

ESMA also highlighted gaps in record-keeping, particularly in relation to documenting client preferences and the product matching and adaptation process. In addition, sustainability considerations were not always adequately reflected in negative target market assessments for products that do not incorporate ESG factors.

ESMA expects firms to enhance their procedures, ensure clear and neutral communication with clients, apply proportionate product categorisation, and maintain robust records. It also encourages NCAs to take a proportionate supervisory approach during the current transitional period, prioritising engagement over enforcement, while reserving action for clear breaches or mis-selling as the sustainable finance framework continues to evolve.

For further information please see link to the Final Report.

Update	1 April – 30 June 2026
Regional Impact	EU and Ireland
Sector Focus	Asset Management and Investment Funds, Institutional Managers, and Regulated Funds
Link	Final Report

EU Updates

ESMA initiative to streamline EU reporting frameworks for funds and transactions

ESMA has launched a harmonised approach to funds and transaction reporting as part of a broader effort to simplify EU reporting frameworks and reduce operational burden. These initiatives aim to address increasing complexity, duplication and costs arising from overlapping regulatory requirements, while improving data quality and usability for supervisors.

For funds reporting, ESMA's Final Report under AIFMD II proposes a shift from fragmented national reporting regimes to a single EU-wide framework. This would be built around a common reporting template designed to accommodate different fund types while ensuring consistency and proportionality. The objective is to reduce duplication, improve data comparability and enhance supervisory effectiveness through more standardised and reliable information.

To support this, ESMA outlines a hybrid operational model in which data collection remains at national level, but validation, storage and analysis are centralised at EU level. This central hub would facilitate data sharing between authorities, improving efficiency and reducing the need for duplicative reporting requests to firms. Implementation will be phased, beginning with the integration of AIFMD and UCITS reporting, followed by a broader extension to other reporting regimes, supported by forthcoming RTS and ITS.

In parallel, ESMA's interim report on transaction reporting highlights key inefficiencies in the current framework, based on industry feedback. Firms identified overlapping requirements, inconsistent rules, fragmented reporting channels and dual reporting obligations as the primary drivers of cost and complexity. ESMA is exploring potential solutions, including instrument-based and dual-sided simplifications, as well as a longer-term "report once" approach across EMIR, MiFIR and SFTR. While no final policy proposals have yet been made for transaction reporting, ESMA will continue engaging with market participants, including through further consultations and cost-benefit analysis, before issuing formal recommendations.

Overall, the direction of travel is towards a more integrated, streamlined and proportionate EU reporting framework that reduces burden while maintaining supervisory effectiveness.

Update	**1 April – 30 June 2026**
Regional Impact	EU and Ireland
Sector Focus	Financial Services Regulation, Financial Institutions
Link	ESMA website

For further information, please see link to the ESMA website

EU Updates

Ireland targets Capital Markets Deal during EU Presidency

Ireland aims to finalise a deal to implement the European Commission's Savings and Investments Union ("SIU") plan during it's EU Presidency, according to Taoiseach Micheal Martin. The Taoiseach stated he has held detailed discussions with Chancellor Merz and President Macron, two strong supporters of the scheme, and believes a consensus among the EU Member states is possible before the end of this year.

Published in March of last year, the general objective of the SIU is to "integrate EU capital markets and improve the functioning of the EU single market in financial services for the benefit of investors, businesses and the wider EU economy". The strategy targets increased participation in investment and capital markets, particularly by retail investors and savers, and greater consolidation and standardisation of regulation and supervision across the EU.

Proponents of the deal argue that Europe needs to significantly increase capital to fund innovation and growth in the European economy. The Finance Ministers of EU's six largest economies (Germany, France, Italy, the Netherlands, Spain, and Poland) met in May and agreed on a joint pitch in an attempt to accelerate negotiations. However, many of the EU's smaller countries have stated opposition to the idea, fearing it will reduce their ability to attract business and control their own finance sector. Ireland has previously been seen as an opponent of the deal due to concerns over the consolidation of regulatory and supervisory powers under the EMSA.

The Taoiseach's comments are a significant development, suggesting consensus may be closer than previously thought.

For further information, please see link to Irish Times article

Update	1 April – 30 June 2026
Regional Impact	EU and Ireland
Sector Focus	Financial Markets, Financial Services Regulation, and Financial Institutions
Link	IT Article

EU Updates

Commission to propose loosening restrictions on liquidity, capital movement

The European Commission will propose reforms to regulations on liquidity and capital movement, allowing financial institutions to manage liquidity across the EU, applying restrictions at a parent group level instead of to individual subsidiaries, according to the Financial Times. The FT has obtained a draft copy of the Commission's report on the Competitiveness of the EU Banking Industry, which is due to be published in July.

The report includes proposals to reform the structure of deposit insurance schemes and review capital requirements for investment firms. The Commission wants to consolidate banking regulations across the single market, particularly liquidity requirements for large institutions with subsidiaries in many countries, believing setting requirements at a group level would allow for greater investment in the European markets. The proposals are likely to face opposition from smaller countries in the bloc.

The report will also propose a review the application of Basel iii rules, specifically with regards to smaller lenders and loans to unrated companies. The report suggests that the rules are unduly complex and inhibitive on smaller firms, and that the rules make lending to unrated companies unnecessarily expensive.

The report forms part of the Commissions Savings and Investments Union Strategy is due to be published in July.

For further information, please see Financial Times article.

Update	**1 April – 30 June 2026**
Regional Impact	EU and Ireland
Sector Focus	Financial Markets, Financial Services Regulation, and Financial Institutions
Link	FT Article

EU Updates

Council agrees position on SFDR and PEPP overhaul

The Council of the European Union has finalised pitches for reforming the Sustainable Finance Disclosure Regulations ("SFDR") and Pan-EU Personal Pension product ("PEPP").

The SFDR review aims to simplify and bring more structure and clarity to disclosure requirements, targeting lower administrative burden on funds marketing their products, and easier comparison between products for consumers. The main proposal under the amendments is to divide financial products into three clearly defined categories;

- sustainable: products that contribute to sustainability goals, such as investments in companies or projects already meeting high standards,
- transition: products channelling investments towards companies or projects that while not yet sustainable are on a credible path,
- ESG basics: other products that may integrate ESG approaches but do not meet the criteria of sustainable or transition categories.

The PEPP is an EU-wide voluntary, portable, personal pension product which can complement existing public or private schemes. The overhaul aims to increase the low uptake of this scheme and attract more providers, with the Council endorsing proposals to remove the mandatory provision of investment advice by providers and distributors of basic PEPPs, removing the 1% fee cap, and raise limits on investing in complex and alternative assets.

With the Commission and Council having adopted positions on both measures, the proposals will be referred to the Parliament to adopt it's own position and begin trilogues.

For further information, please see links to the Council's website

Update	1 April – 30 June 2026
Regional Impact	EU and Ireland
Sector Focus	Financial Markets, Financial Services Regulation, and Financial Institutions
Link	Council Statement on PEPP Council Statement on SFDR

Important Dates for Q3 2026

Date	Matter
H1 2026	**CBI Review of the Fund Service Provider Framework** The CBI has indicated that it will launch a comprehensive review of the Fund Service Provider (FSP) Framework in H1 2026. The review will consider updates to delegation and outsourcing requirements to ensure alignment with AIFMD II and relevant EU guidance.
H1 2026	The CBI is expected to issue a communication in H1 2026 following its thematic review of LMTs.
15 July 2026	AMLA consultation on draft business-wide risk assessment guidelines – response deadline.

Contacts

Derek Lawlor
Partner
T +353 1266 1158
E derek.lawlor@simmons-simmons.com

Niamh Ryan
Partner
T +353 1266 1115
E niamh.ryan@simmons-simmons.com

James McKnight
Partner
T +353 1266 1122
E james.mcknight@simmons-simmons.com

Declan O'Sullivan
Partner
T +353 1266 1159
E declan.osullivan@simmons-simmons.com

Louise Dobbyn
Partner
T +353 1 266 2982
E louise.dobbyn@simmons-simmons.com

James Cullinane
Managing Associate
T +353 1266 2952
E james.cullinane@simmons-simmons.com

Stephen Nolan
Managing Associate
T +353 1266 1154
E stephen.nolan@simmons-simmons.com

Jeffrey Horahan
Managing Associate
T +353 1266 2959
E jeffrey.horahan@simmons-simmons.com

simmons + simmons

simmons-simmons.com

Strictly Private and Confidential