

Joint EU–UK Financial Regulatory Forum

London, 12 February 2025

Joint Statement

The third meeting of the Joint EU–UK Financial Regulatory Forum (the Forum) between the European Union (EU) and the United Kingdom of Great Britain and Northern Ireland (UK) took place in London on 12 February 2025.

The meeting was co–chaired by the HM Treasury (HMT) Director General for Financial Services and the European Commission Director General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA). Participants attended from the Bank of England (the Bank), the Financial Conduct Authority (FCA), the European Central Bank (ECB), the European Supervisory Authorities (EBA, ESMA, EIOPA), and the EU Single Resolution Board (SRB).

The EU and UK welcomed continued dialogue on financial services and restated the importance of structured regulatory cooperation where this strengthens our shared objectives of preserving financial stability, market integrity, and the protection of investors and consumers. Both sides also noted the importance of continued cooperation in other areas, such as anti–money laundering and sanctions.

The Forum agenda focused around 5 themes: (i) the policy outlook, and macroeconomic and financial stability outlook, (ii) banking regulation, (iii) digital and technology, (iv) markets reform, and (v) sustainable finance.

Participants took stock of the policy priorities in both the UK and the EU to support economic growth and exchanged on key emerging risks to financial stability.

On the macroeconomic and financial stability outlook, the EU and the UK discussed the importance of enhancing resilience while remaining focused on long–term growth, technological advancement, and sustainability.

Participants offered an overview of developments on banking regulation, including resolution and Basel III. The EU and the UK reaffirmed the significance of high international standards to ensure global financial stability

and discussed the importance of ensuring members of the Basel Committee on Banking Supervision (BCBS) implement all aspects of the Basel III framework in full, consistently and as soon as possible.

On securitisation, the EU and the UK exchanged views on developments in their respective securitisation frameworks and noted the importance of effective regulation for ensuring that securitisation supports the growth of the real economy whilst preserving financial stability.

On resolution, participants discussed open bank bail-in operationalisation, emphasising the importance of effective resolution frameworks in a cross-border context. The EU gave an update about the ongoing negotiations on its review of the Crisis Management and Deposit Insurance framework. The UK provided an update on the progress of the Bank Resolution (Recapitalisation) Bill, and participants discussed the ongoing work in international fora to address the lessons learned from the 2023 banking turmoil.

The session on digital and technology commenced with AI developments applicable to the financial services sector. The UK and the EU agreed to continue working together and with the wider international community to develop a common understanding of its benefits and risks, particularly in relation to the rapid innovation of financial services, to financial stability, and to public trust and safety.

The EU and the UK welcomed the progress being made to develop and implement crypto-assets regulation that will address financial systemic risk, noting the need to facilitate innovation and provide regulatory certainty. The EU noted that the EU Markets in Crypto-Assets Regulation (MiCA) entered into full application as of 30 December 2024. The UK explained its plans to bring forward legislation to create the UK regime. The EU and the UK underlined the importance of global implementation of the agreed Financial Stability Board's (FSB) regulatory framework for crypto-asset markets and activities and global stablecoin arrangements.

Building on the discussions since the last Forum, the EU and the UK discussed respective progress toward implementing a T+1 securities settlement cycle.

Both sides agreed that there would be substantial benefit in coordination across Europe and noted the growing consensus around a T+1 implementation date of 11 October 2027. To facilitate open sharing of information and technical progress, both sides noted that the chairs of the EU and UK industry taskforces will participate in their counterpart's taskforce as observers. The EU and the UK agreed to continue engagement on T+1 before the next Forum.

In recognising the evolving nature of the UK's and EU's capital markets, conversation moved on to capital markets regulation developments. The EU and the UK discussed progress on the development of the EU and UK consolidated tapes and agreed to continue liaising on this topic, as appropriate. The EU and the UK also touched base on benchmarks rules on both sides.

The EU and the UK noted the importance of timely implementation of the Financial Stability Board's (FSB) recommendations to enhance the resilience of Money Market Funds (MMFs). There was agreement on the need to continue to work on MMFs reforms. The EU and the UK also noted the importance of finalising international policy reforms to address risks from non-bank financial intermediation (NBFI) leverage. Participants recognised the role that enhanced transparency can play in enhancing market participants' and authorities' ability to manage risks and monitor vulnerabilities in the NBFI sector.

Discussion moved to the UK's Overseas Funds Regime, the progress in processing EU funds' applications and the recent extension of the Temporary Marketing Permissions Regime, including for MMFs until the end of 2026. Participants provided updates on the UK's Long-Term Asset Fund (LTAF) and the European Long-Term Investment Fund (ELTIF).

The final session was on sustainable finance. The EU and the UK exchanged views on the importance of international coordination aimed at ensuring interoperability and promoting consistency in sustainable finance standards and recommendations. They reaffirmed their support for the work of the G20

Working Group on Sustainable Finance, the International Platform on Sustainable Finance, and the International Sustainability Standards Board, and the importance of minimising as far as possible reporting frictions for internationally active firms.

Participants discussed disclosures (including UK Sustainability Disclosure Requirements and the EU Sustainable Finance Disclosure Regulation), credible transition planning, transition finance and green taxonomies, where the UK noted its consultation on the value and use cases of a green taxonomy closed on 6 February. The EU highlighted its intention to bring forward an Omnibus simplification package focused on reducing reporting burden of companies.

The EU and the UK agreed to follow-up, as appropriate, between now and the next Forum on topics discussed.