

NEWSFLASH – CAPITAL MARKETS REGULATORY WATCH (SUMMER 2025 EDITION)

SUMMARY

1. *Targeted consultation on the exemption of spot fx benchmarks, bmr regulation (article 18a)..... 1*
2. *Call for contributions retail investor journey (mifid ii)..... 1*
3. *European savings label intergovernmental initiative 2*

Objective: To provide a clear, strategic, and structured overview of the latest public consultations, regulatory initiatives, and key deadlines affecting capital markets both in Luxembourg and across the European Union.

1. TARGETED CONSULTATION ON THE EXEMPTION OF SPOT FX BENCHMARKS, BMR REGULATION (ARTICLE 18A)

Publication date: May 9, 2025

Response deadline: July 4, 2025, 23:59 (Brussels time)

Context: This consultation aims to determine whether certain spot FX benchmarks from third countries could be exempted from the scope of the Benchmark Regulation (EU) 2016/1011.

Why ? Some of these benchmarks are not produced according to European standards but are crucial for companies using non-deliverable forward (NDF) contracts on emerging market currencies.
Target audience: Benchmark administrators, companies using FX benchmarks, national competent authorities, professional associations.

ISSUES:

- Continue to ensure the availability of hedging instruments in the EU.
- Preserve the competitiveness of European players without compromising transparency requirements.

2. CALL FOR CONTRIBUTIONS RETAIL INVESTOR JOURNEY (MIFID II)

Consultation period: May 21 to July 21, 2025

Initiating body: European Securities and Markets Authority (ESMA)

Objective: To understand the current barriers to retail investor participation in financial markets, especially in the digital era.

TOPICS COVERED:

- Relevance of suitability and appropriateness tests
 - Transparency of fees and risks
 - Role of online platforms and risky products in young investors' choices
 - Non-regulatory barriers to investment
 - Participation through crowdfunding
- Next step: Based on feedback, regulatory adjustments may be proposed in Q3 2025.

3. EUROPEAN SAVINGS LABEL INTERGOVERNMENTAL INITIATIVE

Launch date: June 4, 2025, by seven Member States (including Luxembourg, France, and Germany)

Objective: To encourage long-term savings from retail investors towards products supporting the financing of European companies.

LABEL FEATURES:

- At least 70% of assets invested in the European Union
- Minimum investment duration of 5 years
- No public guarantee on returns or capital
- Sanction mechanisms in case of label misuse

CRITICISMS:

- The organization BETTER FINANCE deplores a lack of transparency and absence of consultation with savers' representatives.
- It calls for strengthening the European and cross-border nature of the label.

KEY UPCOMING REGULATORY DEADLINES

Initiative	Type	Deadline
FX spot exemption (BMR)	Targeted consultation	July 4, 2025
Retail investor journey (ESMA)	Call for contributions	July 21, 2025
EU Capital Markets Integration	Targeted consultation	June 10, 2025 (closed)
EMIR clearing thresholds	Technical consultation	June 16, 2025
Threshold monitoring under CSDR	Draft RTS	June 16, 2025

OUTLOOK AND RECOMMENDATIONS

- **Anticipate:** Asset management, investment services, and compliance actors should engage in ongoing consultations to influence future rules.
- **Coordinate:** Promoting a consolidated response (via groups or professional associations) allows better representation of Luxembourg market-specific needs.
- **Monitor closely:** The European Savings Label initiative may gain political importance in the coming months, coordination with national authorities would be strategic.
- **Inform your teams:** Incorporate this information into your internal monthly regulatory briefings.