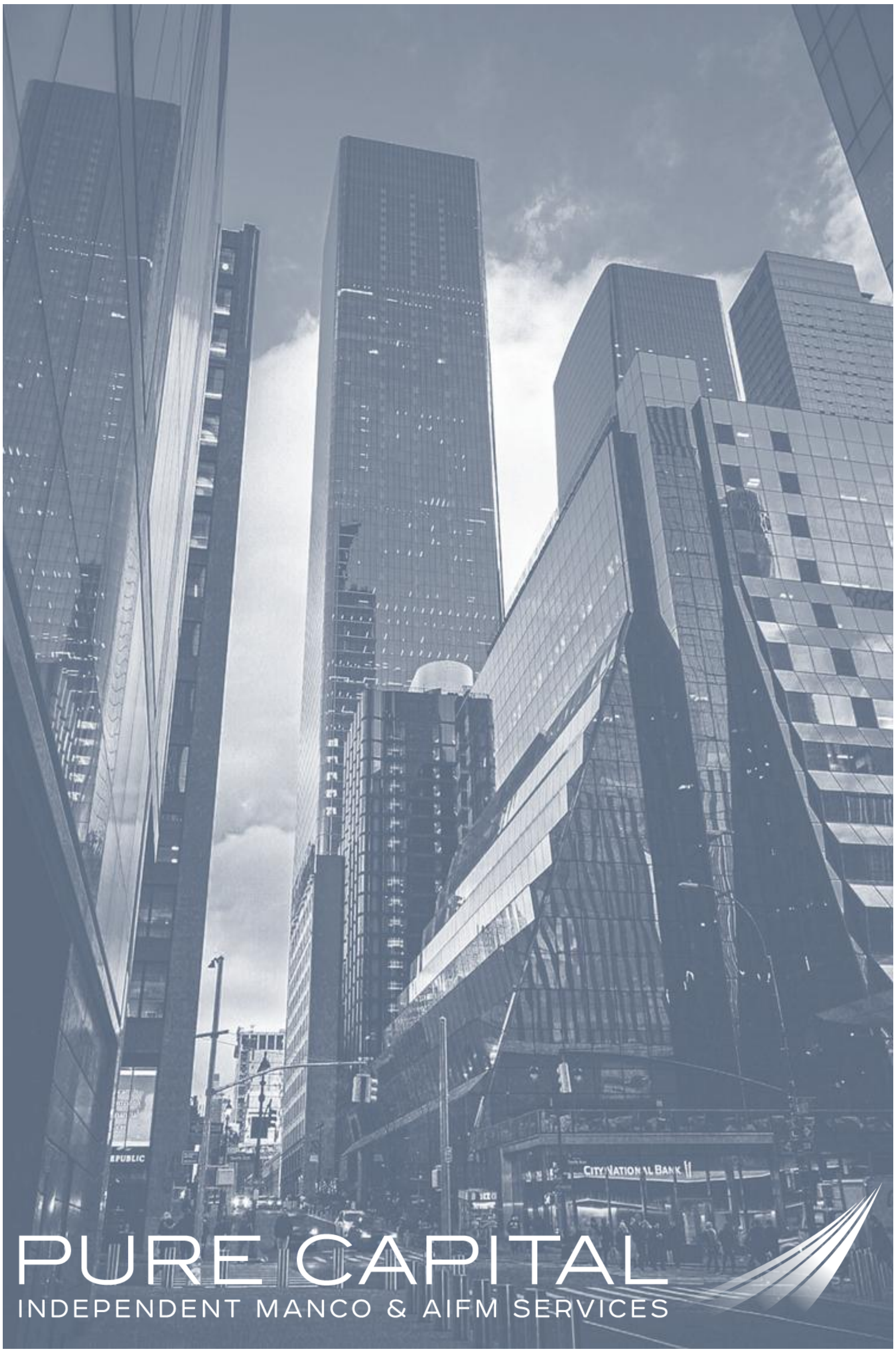
MANCO

NEWSLETTER

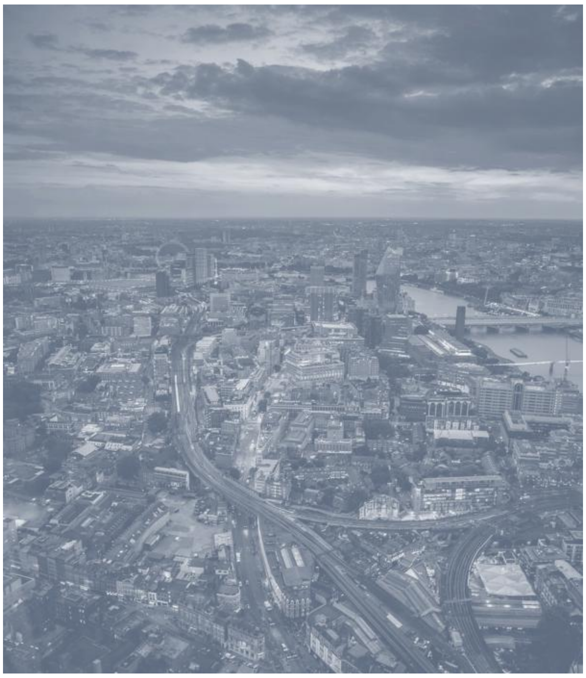
INSIDE THIS FEATURE

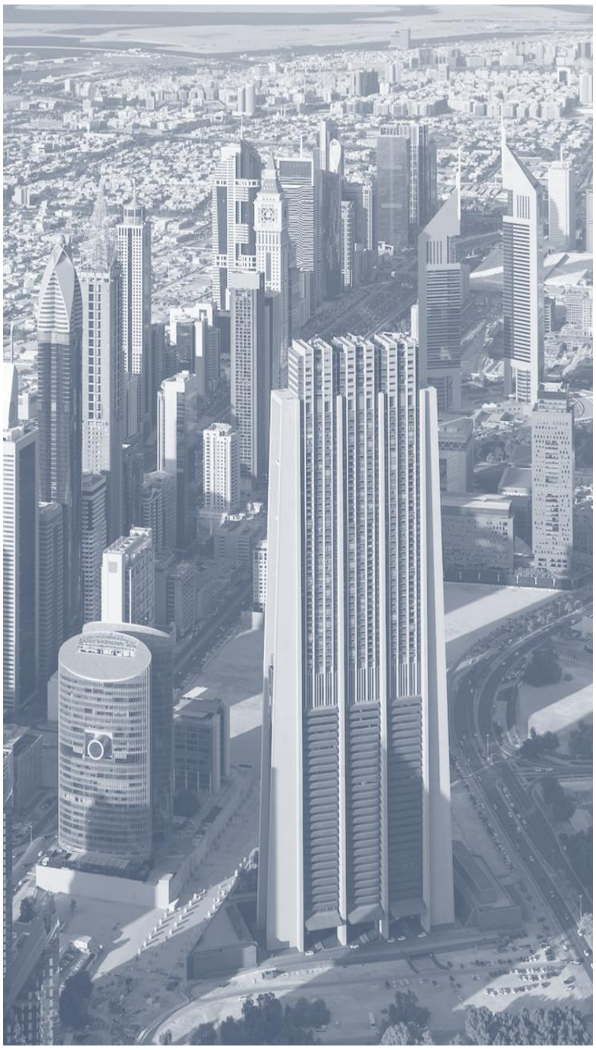


WELCOME

This edition of the ManCo Newsletter highlights: key regulatory and supervisory developments shaping the European financial landscape. From banking oversight and crypto-asset supervision to ESG integration, market harmonisation, and investor protection, the selected articles provide timely insights into evolving EU rules and supervisory priorities that directly impact management companies and fund managers.

At Pure Capital S.A., we remain focused on adapting with integrity, embracing innovation, and delivering long-term value to our clients and partners.





REGULATORY DEVELOPMENTS

CRD VI IMPLEMENTATION IN LUXEMBOURG: A NEW ERA FOR BANKING OVERSIGHT

On 2 October 2025, Luxembourg took a decisive step toward aligning its banking framework with the European Union's evolving regulatory landscape. The submission of Bill of Law No. 8627 to Parliament marks the country's formal move to implement Directive (EU) 2024/1619 (CRD VI) as part of the broader EMIR 3 legislative package.

CRD VI, the sixth iteration of the Capital Requirements Directive, seeks to further harmonise banking supervision across the EU. Together with Regulation (EU) 2024/1623 (CRR III), it forms a reinforced prudential framework aimed at strengthening financial stability, enhancing supervisory convergence, and addressing concentration risks linked to third-country central counterparties.

The proposed Luxembourg legislation introduces significant changes for credit institutions and financial holding companies. Enhanced oversight will apply to material corporate operations such as mergers, divisions, acquisitions, and asset transfers. Depending on the transaction's nature and impact, institutions may be subject to notification requirements or required to obtain prior approval from the CSSF, reinforcing the regulator's supervisory role.

CRD VI also places strong emphasis on internal governance and risk management. It introduces harmonised EU standards for key function holders and management body members, aiming to reduce fragmentation in the EU "fit and proper" regime through clearer suitability criteria and more consistent supervisory practices.

As the legislative process advances, Luxembourg's financial sector must prepare for a more rigorous compliance environment, including reviews of governance structures, transaction pipelines, and reporting frameworks.

For fund managers, while CRD VI does not apply directly, it may result in heightened scrutiny of banking counterparties and financing arrangements, with potential knock-on effects for fund structuring and execution.

Find out more: [CRD VI implementation in Luxembourg]

CSSF OPINION

CSSF ON CRYPTO - ASSETS

The CSSF, has adopted a prudent and neutral approach to crypto assets, recognising both their innovative potential and the significant risks they pose to investors and markets. Crypto assets, broadly defined as tokens using distributed ledger technology encompass virtual currencies like Bitcoin and other tokenised digital instruments. The CSSF emphasises that these instruments may not be suitable for all investor profiles due to their high volatility and absence of traditional investor protections.

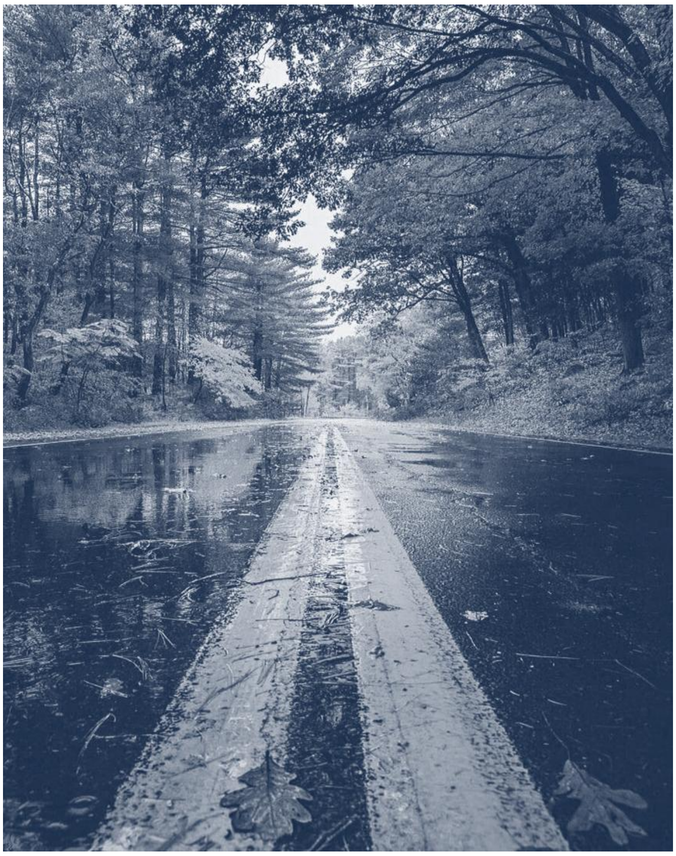
At the heart of the regulatory framework is the Markets in Crypto-Assets Regulation (MiCAR), the European Union's harmonised legal regime for crypto-assets that are not otherwise covered by existing financial legislation. MiCAR, which became fully applicable as of 30 December 2024, aims to establish legal certainty, support innovation, and safeguard investor protection, market integrity, and financial stability across the EU. It creates a structured regime for different crypto-asset categories, including asset-referenced tokens (ARTs), electronic money tokens (EMTs), and other crypto-assets — as well as a robust authorisation and supervision framework for crypto-asset service providers (CASPs).

In Luxembourg, the national law of 6 February 2025 formally designates the CSSF as the competent authority responsible for the enforcement of MiCAR, granting it supervisory and investigatory powers, including sanctions for non-compliance. Transitional provisions allow certain virtual asset service providers (VASPs) registered before December 2024 to operate under the existing regime until mid-2026, while the MiCAR authorisation process is completed.

The CSSF also stresses investor due diligence. Prospective buyers and users of crypto-assets are advised to verify the authorisations of issuers and service providers, carefully review white papers, and remain vigilant against unauthorised operators — especially those based outside the EU where MiCAR protections do not apply.

Despite enhanced transparency and oversight under MiCAR, the CSSF cautions that crypto-asset investments still bear considerable risk, and protections remain less comprehensive than those for traditional financial products.

Find out more: [CSSF Crypto assets.]



ESG

CLIMATE TRANSITION BOND GUIDELINES

In a significant step for sustainable finance, the International Capital Market Association (ICMA) has released its Climate Transition Bond Guidelines (CTBG), establishing a benchmark for how capital markets can credibly support the global carbon transition. Unlike traditional green bonds, which fund only explicitly "green" projects, the CTBG provide a flexible framework covering both use-of-proceeds bonds and sustainability-linked bonds. The former channels funds toward climate transition-aligned activities, while the latter ties financial features to the issuer's achievement of pre-defined climate targets.

A core strength of the CTBG is their focus on transparency and integrity. Issuers must clearly outline their climate transition strategy, disclose governance arrangements, and report performance metrics aligned with science-based targets. This helps prevent "greenwashing" and ensures the capital raised genuinely advances decarbonisation efforts.

The guidelines strongly recommend independent external reviews at every stage — from pre-issuance validation of the transition plan to verification of proceeds allocation and ongoing post-issuance reporting. Third-party assessments safeguard credibility and assure investors that their funds support meaningful climate action.

Challenges remain. Reviewers need deep expertise in climate science, industry-specific transition pathways, and financial reporting, particularly in sectors where pathways are still evolving. Global harmonisation of standards is critical to prevent market fragmentation and maintain consistent credibility.

For fund managers, the CTBG highlight the importance of selecting bonds with robust verification and transparent reporting, which will increasingly influence portfolio decisions and risk management.

Overall, the CTBG launch marks a pivotal moment for climate finance, offering a high-integrity framework to channel capital toward real-economy decarbonisation while strengthening investor confidence and market integrity.

Find out more: [Climate Transition Bond Guidelines]

ESAS RELEASE JOINT GUIDELINES TO STRENGTHEN ESG STRESS TESTING ACROSS THE EU

On 8 January 2026, the European Supervisory Authorities (EBA, EIOPA, and ESMA) published comprehensive Joint Guidelines to embed environmental, social, and governance (ESG) risks more systematically into supervisory stress testing frameworks across the European Union. The Guidelines represent a major step toward harmonising how national authorities evaluate long-term sustainability risks in the financial sector.

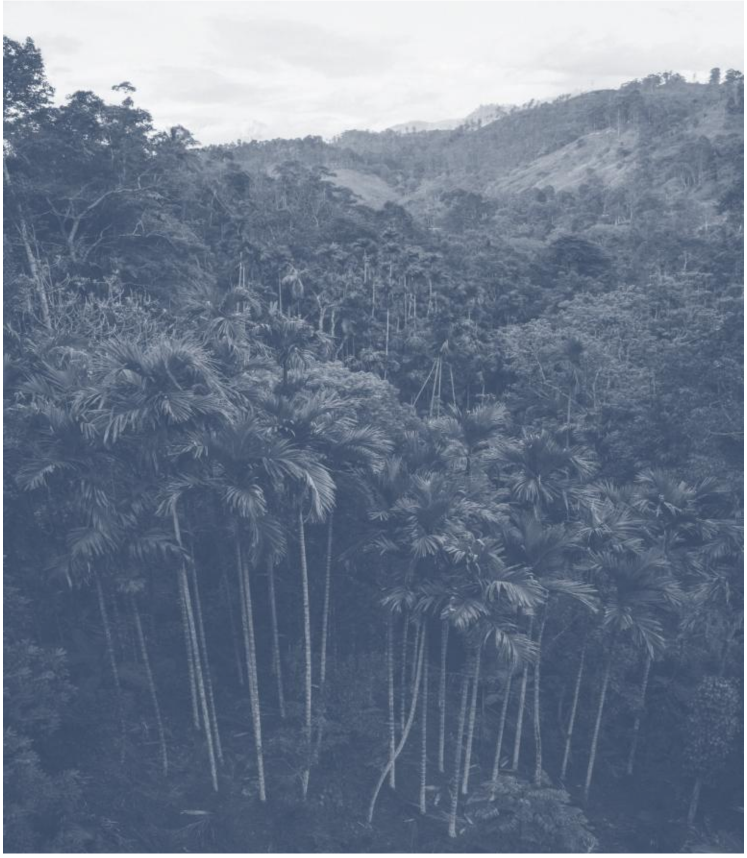
The Guidelines establish common standards for integrating ESG considerations into both existing stress test models and any complementary assessments required as methodologies develop. Their objective is not to impose new testing obligations but to ensure consistency, clarity, and methodological rigour across jurisdictions when ESG risks are assessed. They outline expectations for designing ESG-inclusive stress tests, including defining objectives, determining scope, and selecting relevant portfolios, sectors, and geographies.

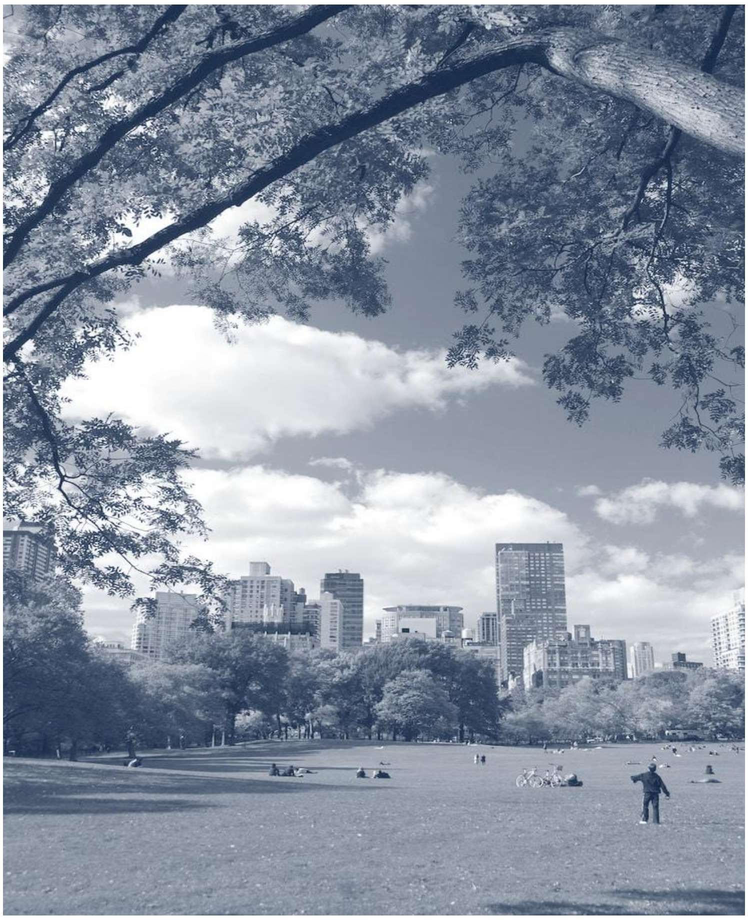
A key element of the Guidelines is the emphasis on organisational and governance arrangements. Authorities are encouraged to allocate adequate human and data resources, enhance technical capabilities for processing ESG information, and develop robust scenario design processes. These measures address the growing complexity of ESG data and the need for supervisory bodies to strengthen analytical capacities.

The Guidelines follow a public consultation conducted between June and September 2025, during which stakeholders broadly welcomed the initiative. The final version maintains the core framework and will enter a “comply or explain” phase, with translations into all EU official languages planned for early 2026.

For fund managers, the Guidelines underscore the importance of robust ESG risk assessment and reporting practices, as supervisory expectations will increasingly influence investment due diligence and portfolio risk management.

Find out more: [ESAs publish joint Guidelines on ESG stress testing]





ESMA'S GUIDELINES: SHAPING THE FUTURE OF ESG FUND NAMING

The European Securities and Markets Authority (ESMA) has implemented comprehensive guidelines to regulate the use of ESG and sustainability-related terms in fund names, aiming to protect investors from greenwashing and ensure transparency. Under the new framework, funds that include ESG or sustainability labels must meet stringent investment thresholds. At least 80% of a fund's portfolio must reflect its stated ESG or sustainability characteristics, while funds labelled as "sustainable" are required to have a minimum of 50% of investments qualifying as sustainable under SFDR Article 2(17).

These rules create standardized disclosure practices and harmonized terminology, making it easier for investors to evaluate fund strategies and reducing the likelihood of misleading claims.

The regulatory impact has been notable, with nearly 19% of affected funds rebranding by May 2025. Some funds removed ESG or sustainability-related terms entirely, while others adopted more precise language such as "transition" or "screened," balancing regulatory compliance with the desire to demonstrate responsible investment practices.

Fund managers are also required to ensure that marketing materials and official documentation consistently reflect the fund's name and investment approach, providing clear definitions of key terms and fulfilling transparent reporting obligations.

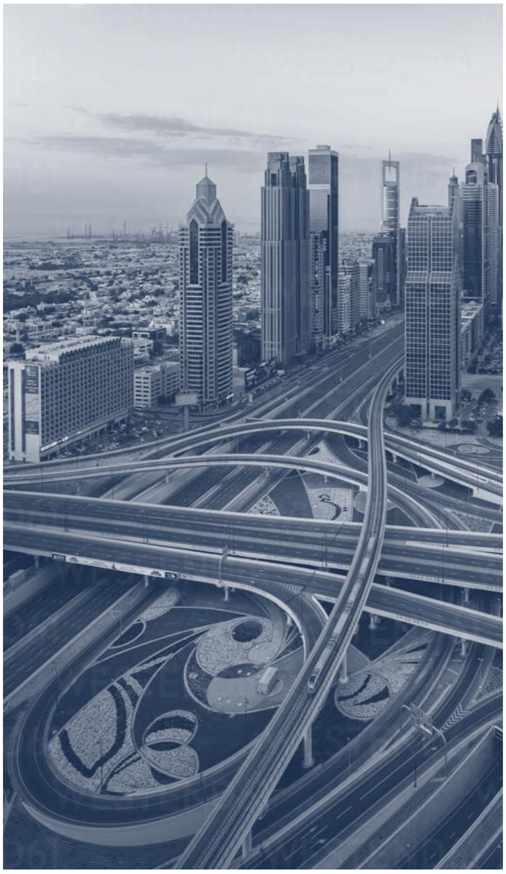
These requirements apply to both retail and professional funds, with transitional periods allowing existing products to adjust to the new standards.

For fund managers, the guidelines imply a greater accountability in product naming, marketing, and portfolio construction, emphasizing the importance of alignment between promises and actual investment strategies.

ESMA's measures reinforce market integrity and investor confidence, marking a significant step in establishing trust and clarity within Europe's sustainable finance landscape.

Find out more: [ESMA reviews impact of Guidelines on ESG or sustainability related terms in fund names]

CROSS BORDER NEWS



EU COMMISSION UNVEILS AMBITIOUS MARKET INTEGRATION PACKAGE

On 4 December 2025, the European Commission published its Market Integration Package, a sweeping set of legislative proposals designed to create a more integrated, efficient, and competitive financial system across the European Union. This initiative forms a central pillar of the Savings and Investment Union (SIU) strategy, aiming to break down persistent barriers in EU capital markets and reinforce the single rulebook principle.

The package targets several key areas:

1. *Asset Management Harmonisation:*

The proposals seek to simplify operations for UCITS management companies and AIFMs by removing national discretions that lead to diverging requirements. Changes to the UCITS Directive and AIFMD are intended to facilitate cross-border operations, introduce an EU-wide depositary passport, and strengthen ESMA's coordination role among national authorities.

2. *Streamlined Fund Distribution:*

Rules on cross-border marketing will be transferred into the Cross-Border Distribution Regulation, aiming to reduce barriers and ensure a common standard for investment funds. This includes simplifying notification processes and harmonising marketing communications.

3. *Trading and Post-Trading Reform*:

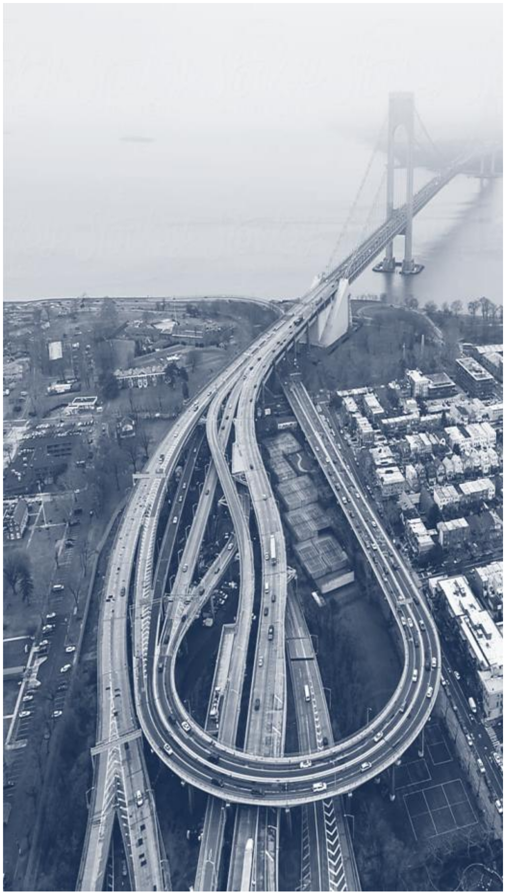
Supervision of significant trading venues, central counterparties (CCPs), and central securities depositories (CSDs) will be transferred to ESMA. The package introduces a Pan-European Market Operator status, harmonised rules for trading venues, and enhanced consolidated tape for market data. The Settlement Finality Directive will be converted into a regulation, further integrating post-trade infrastructures.

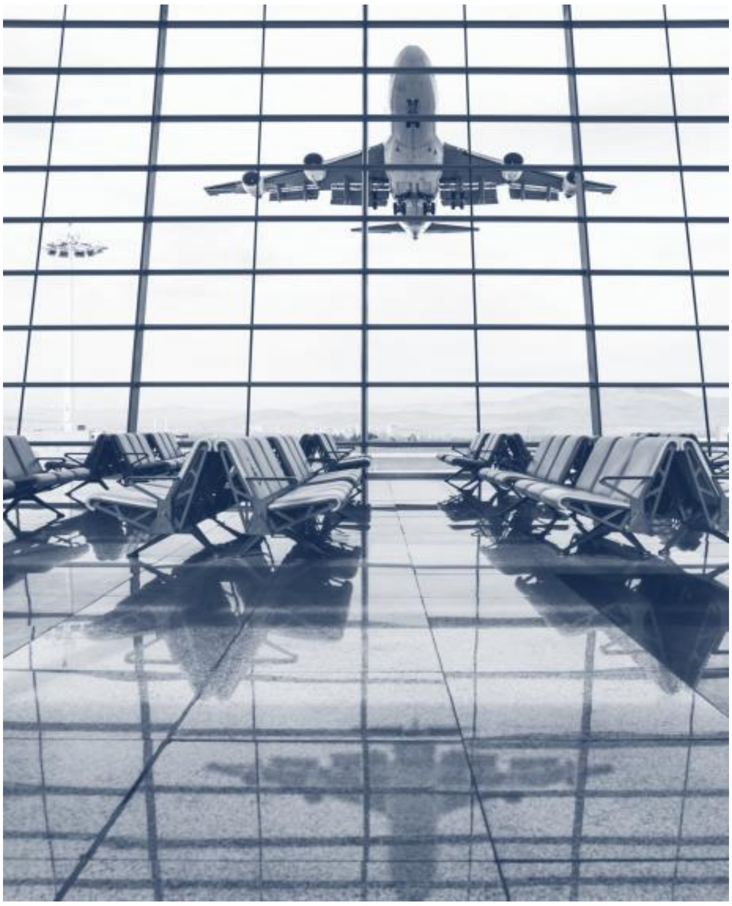
4. *Innovation Enablement:*

The package expands the DLT Pilot Regime, offering a simplified regime for smaller operators and transferring supervision of crypto asset service providers to ESMA.

For fund managers, the Market Integration Package implies easier cross-border operations, reduced administrative burdens, and clearer regulatory oversight, enabling more efficient fund management and distribution across the EU while maintaining compliance with harmonized rules.

Find out more: [Market integration package]





EBA UPDATES ON CROSS-BORDER SUPERVISORY COOPERATION WITH THIRD COUNTRIES

The European Banking Authority (EBA) has published updated Guidelines on the equivalence of confidentiality and professional secrecy regimes in third countries, strengthening the framework for cross-border supervisory cooperation between the European Union and non-EU authorities. These Guidelines incorporate requirements from the Markets in Crypto Assets Regulation (MiCAR) and reflect the latest EBA equivalence assessments. Authorities in Australia, China, Montenegro, Peru, Serbia, and the United Kingdom are now recognised as having confidentiality and professional secrecy regimes equivalent to those of the EU. This recognition allows EU supervisors to exchange information more effectively with their third-country counterparts, facilitating coordinated oversight and reducing regulatory fragmentation.

The updated Guidelines clarify key definitions, update legal references, and provide detailed instructions for competent authorities on applying the framework when sharing information or engaging in supervisory cooperation. The objective is to ensure a harmonised approach across all EU authorities, enhancing consistency in cross-border supervisory practices and safeguarding the confidentiality of sensitive information. The legal basis for these Guidelines is Regulation (EU) No 1093/2010, which tasks the EBA with supporting Member States in verifying equivalence of third-country regimes. Article 100 of MiCAR further requires that information exchanged under the Regulation remains protected by professional secrecy, with disclosure permitted only in narrowly defined legal circumstances.

The Guidelines are part of broader efforts to promote supervisory convergence and strengthen the stability and integrity of the EU financial system, ensuring that both traditional financial institutions and crypto-asset service providers operate under robust, consistent standards.

For fund managers, this implies greater certainty in cross-border regulatory cooperation, facilitating access to third-country markets while ensuring that sensitive operational and client information is protected under recognised legal standards.

Find out more: The EBA strengthens cross border supervisory cooperation with third countries through its updated equivalence Guidelines

ESMA LAUNCHES MAJOR SUPERVISORY INITIATIVE ON MIFID II CONFLICT-OF-INTEREST RULES

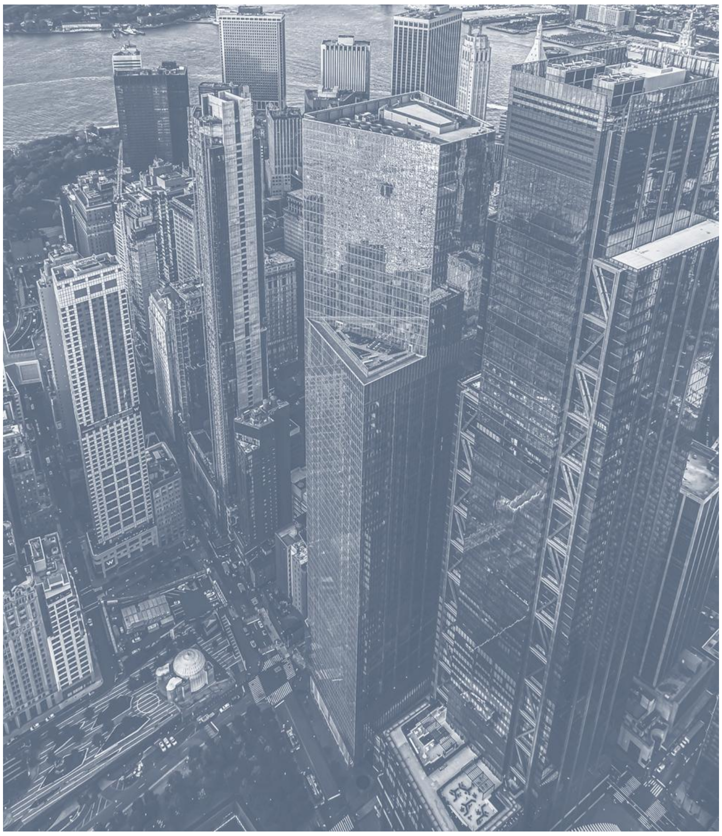
The European Securities and Markets Authority (ESMA) announced on 2 December 2025 a new cross-European supervisory campaign to evaluate compliance with conflicts-of-interest rules under MiFID II. This Common Supervisory Action (CSA), to be conducted in coordination with national regulators, will assess how investment firms manage potential conflicts between their commercial interests and the best interests of retail clients. The campaign will focus on whether firms properly identify, prevent, and mitigate conflicts when distributing financial instruments, ensuring that client protection remains a priority.

Key areas under review include the influence of staff remuneration and inducements, examining whether pay structures or commissions affect the products offered to clients. The CSA will also assess the role of digital platforms, investigating whether algorithms or platform designs steer investors toward certain products in ways that may not serve their best interests. Additionally, the survey will explore how firms' profit motives intersect with client needs when offering investment products, highlighting potential risks where commercial objectives override client outcomes.

ESMA regards the CSA as a significant step toward enhancing supervisory consistency across the European Union. By facilitating the exchange of best practices among national competent authorities, the initiative aims to strengthen investor protection and uphold the objectives of MiFID II. Scheduled for 2026, the campaign will involve close collaboration between ESMA and national regulators, potentially leading to clearer expectations and more uniform enforcement of conflicts-of-interest rules. For investors, the CSA may result in greater transparency, higher oversight standards, and more stringent guidelines on product distribution and inducements.

For fund managers, this implies increased scrutiny of product recommendations, remuneration structures, and distribution practices to ensure alignment with client interests and regulatory expectations.

Find out more: ESMA to launch Common Supervisory Action on MiFID II conflicts of interest requirements



DISCLAIMER

To get in contact with us (tel: +352 26 39 86) or by visiting the website www.purecapital.eu.