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NEWSLETTER



UK Financial Insights from Katten | Issue 26

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UK Financial Insights from Katten is a monthly newsletter highlighting key noteworthy developments potentially affecting financial markets and funds in the UK and Europe.

To read more issues of *UK Financial Insights from Katten*, please click here.

Derivatives 2025: Law and Practice | Trends and Developments – England and Wales

By Carolyn Jackson, Nathaniel Lalone, Christopher Collins, Carl Kennedy, Ciara McBrien

Published by *Chambers and Partners*, the UK's legislative framework for the regulation of derivatives markets and products is comprised of a mixture of domestic and EU-derived rules and regulations. The key pieces of legislation and regulations that impact the UK derivatives markets include the following: Financial Services and Markets Act 2000 (FSMA); Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (RAO); European Market Infrastructure Regulation (EMIR); The Markets in Financial Instruments Directive II and Markets in Financial Instruments Regulation (MiFID II and MiFIR); and Regulation on Wholesale Energy Market Integrity and Transparency (REMIT). *Read Katten's practice guide. See also "Derivatives 2025 – Global Overview."*

Christopher Collins Comments on FCA Review of Off-Channel Communications

Financial Markets and Funds Partner Christopher Collins was quoted in *Treasury Today* and *Law360* on the UK Financial Conduct Authority's (FCA) review into off-channel communications, underscoring cultural and oversight challenges as 41 percent of identified breaches involved director-grade or above staff. *Read Chris's comments.*

Anita Hodea Quoted in Multiple Media Outlets on the EU Data Act Coming Into Force

Intellectual Property and Privacy, Data and Cybersecurity Associate Anita Hodea was quoted in the media, including by *Tech Informed*, *City AM* and *The Legal Diary*, regarding the EU Data Act (Act), which came into force on September 12. The Act sets a new benchmark for how data is accessed, shared and governed in Europe's digital economy. *Read Anita's comments.*

FCA Consults on Application of *FCA Handbook* to Cryptoasset Activities

By Carolyn Jackson, Nathaniel Lalone, Neil Robson, Christopher Collins, Ciara McBrien, Sara Portillo

The FCA has published a consultation (CP25/25) on applying the *FCA Handbook* to regulated cryptoasset activities. If the proposals therein are implemented by the FCA, it would mark another step in the transition from limited anti-money laundering and financial promotion oversight to more comprehensive regulation, resulting in cryptoasset firms being subject to requirements comparable to traditional financial services firms. *Read about the FCA's key proposals.* The article has also been published by *Grip*.

HM Treasury Consultation on Changes to UK Money Laundering Regulations

By Carolyn Jackson, Nathaniel Lalone, Neil Robson, Christopher Collins, Ciara McBrien, Sara Portillo

HM Treasury (HMT) recently published a draft statutory instrument (SI), The Money Laundering and Terrorist Financing (Amendment and Miscellaneous Provision) Regulations 2025, alongside a policy note (Policy Note), for technical consultation. This follows HMT's March 2024 consultation on improving the effectiveness of the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs), with the UK government's response published in July 2025. *Read about HMT's consultation.*

FCA Findings Following UK Review of Algorithmic Trading Controls

By Neil Robson, Sara Portillo

The FCA has recently published the findings of its latest multi-firm review, assessing 10 proprietary trading firms' (PTFs) compliance with MiFID requirements on algorithmic trading control as set out in Commission Delegated Regulation. The Review follows the FCA's previous multi-firm assessment in

February 2018, which identified the need for further improvements in documentation, conduct risk consideration and the identification of algorithmic trading activities. *Read about the FCA's findings.*

ESAs Publish Guide on Oversight of Critical ICT Third-Party Service Providers under DORA

By Nathaniel Lalone, Ciara McBrien

The European Supervisory Authorities (ESAs) recently published a comprehensive guide on the oversight of critical information and communications technology (ICT) third-party service providers (CTPPs) under the EU Digital Operational Resilience Act (DORA). This Guide marks another step in the implementation of DORA, which aims to strengthen the digital operational resilience of the EU financial sector. *Read about the guide.*

Setting the Record Straight: CFTC Staff Reaffirm the Commission's FBOT Framework, Providing Clarity to Non-US Exchanges

By Carl Kennedy, Carolyn Jackson, Nathaniel Lalone, Christopher Collins, Daniel Davis

Amid "recent confusion and disruption regarding whether non-US exchanges should register [with the Commodity Futures Trading Commission (CFTC or Commission)] as a designated contract market (DCM) or [foreign board of trade (FBOT)] due to recent enforcement actions…," staff from the CFTC's Division of Market Oversight (DMO) issued an advisory letter on August 28 to provide clarity to non-US exchanges seeking to provide direct market access to members or participants physically located in the United States. *Read about the FBOT framework.*

ICYMI

Here's a look back at recent client advisories from Katten.

- "Key LP Investments Trends in 2025 and Beyond: Navigating Fee Transparency, Liquidity Solutions and Governance," September 24, 2025
- "UK National Security and Investment Act Update: Streamlining Security, Supporting Investment," September 11, 2025

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