



EU RegCORE Client Alert

Financial Services

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Joint Committee of the ESAs’ Annual Report 2025 – Key Implications for Regulated Firms

QuickTake

On 24 April 2026, the Joint Committee (**JC**) of the three European Supervisory Authorities (**ESAs**) — comprising the European Banking Authority (**EBA**), the European Securities and Markets Authority (**ESMA**) and the European Insurance and Occupational Pensions Authority (**EIOPA**) — published its Annual Report for 2025. The JC, chaired in 2025 by EIOPA,¹ continued to serve as the central coordinating forum facilitating dialogue and information exchange among the ESAs, the European Commission and the European Systemic Risk Board (**ESRB**). The headline points for regulated firms are summarised below.



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- As explored in this Client Alert, the 2025 Annual Report from the JC of the ESAs highlights a number of key considerations for regulated firms and markets. This includes: **What**. The JC’s 2025 work focused on (i) implementing the Digital Operational Resilience Act (**DORA**) — including the designation of nineteen critical third-party providers (**CTPPs**) and

¹ Available [here](#).

operationalisation of the EU-level cyber coordination framework; (ii) cross-sectoral risk assessment in an environment of heightened geopolitical and macro-financial uncertainty; (iii) sustainable finance, with further work on the Sustainable Finance Disclosure Regulation (**SFDR**) and environmental, social and governance (**ESG**) stress testing; (iv) retail investor and consumer protection, including crypto-asset warnings and education on digital fraud and AI-enabled scams; and (v) cross-cutting initiatives on securitisation, FinTech and BigTech, the European Single Access Point (**ESAP**) and financial conglomerates.

- **When.** Core DORA application commenced on 17 January 2025. Key milestones during 2025 included the April–November designation of CTPPs and publication of the CTPP list on 18 November 2025, the operationalisation of the European Systemic Cyber Incident Coordination Framework (**EU-SCICF**), and the adoption (in January 2026) of Joint Guidelines on ESG stress testing finalised in 2025.
- **Who.** The JC’s work is relevant to credit institutions, investment firms, insurers, reinsurers, asset managers and other financial market participants, as well as critical information and communication technology (**ICT**) third-party service providers, BigTech and mixed-activity groups providing financial services, entities in scope of SFDR, securitisation market participants, financial conglomerates, and national competent authorities (**NCA**s).
- **Immediate action.** Firms should: (i) assess their positioning under DORA, including dependencies on the designated CTPPs, and monitor the emerging CTPP oversight framework — CTPP concentration is now a board-level risk factor; (ii) review SFDR PAI disclosures and ESG stress testing approaches in light of the JC’s findings and forthcoming Guidelines — disclosure quality is becoming a competitive differentiator; (iii) reassess crypto-asset offerings, client communications and fraud-prevention measures against the ESAs’ consumer-facing outputs — enforcement risk in this space is rising; and (iv) for groups with cross-border or conglomerate structures, track the evolution of ESAs’ information exchange and cooperation with AMLA — supervisory silos are closing.

This Client Alert analyses the JC’s 2025 Annual Report and its practical implications for regulated firms. For a complete picture, this Client Alert should be read together with our standalone coverage on individual developments raised in the report, as well as similar annual reports published by the individual European Supervisory Authorities (EBA, ESMA and EIOPA) and the Banking Union supervisory authorities (ECB-SSM and SRB) – a full list of coverage is also available in “[Navigating 2026](#)”.

Digital Operational Resilience

Legal Instruments and Convergence

DORA implementation remained the JC’s core priority in 2025, with the ESAs delivering all mandated legal instruments, designating 19 CTPPs and operationalising EU-level cyber coordination structures.

The ESAs delivered all DORA-mandated legal instruments and launched initiatives to promote supervisory convergence by NCAs. They issued practical guidance and tools to support financial entities in preparing

for DORA's application as of 17 January 2025. For regulated firms, this means the full suite of technical standards is now in force, and compliance cannot be deferred on the basis of pending subordinate legislation. Firms should undertake a gap analysis against all published standards as a matter of priority.

Critical Third-Party Providers (CTPPs)

In December 2025, the ESAs responded to the European Commission's request to assess whether statutory auditors and audit firms should be included within DORA's scope. Should the scope be extended, this would have indirect implications for financial entities that rely on audit firms for ICT assurance services, potentially altering the oversight dynamics of those relationships.

Governance Structures

The ESAs completed preparatory work to establish the Joint Oversight Network and the Oversight Forum, together with methodologies and procedures for CTPP oversight.

Designation Process

Between April and November 2025, using data from financial entities' DORA registers of information (the comprehensive inventories of ICT contractual arrangements that in-scope entities must maintain under DORA) and a structured criticality assessment, the ESAs designated 19 CTPPs and appointed the EBA as Lead Overseer for each. The CTPP list was published on 18 November 2025 — a key DORA milestone.

Oversight Planning

Following designation, the ESAs began formal engagement with CTPPs, prepared draft oversight plans for 2026 activities, prepared for collection of oversight fees from CTPPs as of 2026, and progressively established Joint Examination Teams by end-2025.

Implications for Regulated Firms

The practical implications for regulated firms are substantial.

Firms must verify whether any of their ICT service providers appear on the published CTPP list and, if so, understand the enhanced oversight regime that applies. Firms should review their contractual arrangements with designated CTPPs to ensure that oversight-related obligations (such as access rights, audit provisions and information-sharing requirements) are adequately reflected. From a strategic perspective, CTPP concentration is now a quantifiable risk factor: firms with material dependencies on a small number of designated providers should expect supervisors to probe resilience planning, exit strategies and substitutability — and should anticipate that acquirers and investors will do the same.

ICT Incident Reporting and Cyber Coordination

Beyond CTPP oversight, the ESAs advanced a broader ICT incident reporting and cyber coordination agenda.

The ESAs published a study on the feasibility of further centralising ICT incident reporting. The EU-SCICF was operationalised through adoption of Terms of Reference, initiation of regular Forum activities, and finalisation of the A2 report to EU institutions, identifying legal and operational barriers and proposing strengthening measures. The EU-SCICF developed and endorsed a crisis coordination protocol, executed a cross-member connectivity test (Q2 2025) and a reactivity test (Q4 2025), and established a repository mapping EU crisis frameworks and their interactions.

Cyber Incident Information and Threat Intelligence

Under the EU-SCICF, the ESAs set up the Cyber Incident Information Sharing and Threat Intelligence Exchange (**CITE**) as an EU-level mechanism for sharing cyber-incident intelligence, supporting cross-jurisdictional exchange of threat information and lessons learned from major ICT incidents.

Collectively, these measures materially upgrade the EU's capacity to prevent, manage and coordinate responses to systemic ICT incidents and cyber threats affecting the financial sector. Regulated firms should be aware that regulatory expectations around ICT incident reporting are likely to evolve towards further centralisation — and that incident response capability will increasingly be tested, not just assessed on paper. Firms should ensure their incident detection, classification and reporting procedures are robust and sufficiently agile to accommodate potential changes. The establishment of CITE signals a regulatory expectation that firms will engage proactively with threat intelligence-sharing mechanisms; those that do not may find themselves at an informational — and ultimately competitive — disadvantage.

Simplification and Burden Reduction

In parallel with operational resilience, the JC supported the Commission's priority to simplify and reduce unnecessary burdens in the EU financial legislative framework, without undermining financial stability, consumer protection or the Single Market.

The ESAs have emphasised that efforts to make the regulatory framework more efficient must neither undermine the core objectives of safeguarding financial stability and protecting consumers, nor the integrity of the Single Market.

Packaged Retail and Insurance-based Investment Products (**PRIIPs**) Key Information Document (**KID**) simplification. In 2025, the ESAs started work on proposals to simplify the PRIIPs KID — the standardised pre-contractual disclosure document that manufacturers of packaged retail products must provide to retail investors.

SFDR reporting. The ESAs deprioritised the annual report on principal adverse impact (**PAI**) disclosures under SFDR as a burden-reduction measure.

Work on simplification will continue in 2026 through JC-coordinated efforts to ensure coherent, cross-sector approaches.

For regulated firms, particularly asset managers and insurance undertakings distributing packaged retail products, the simplification of the PRIIPs KID may reduce compliance costs — but will require close monitoring of consultation papers to ensure timely adaptation of disclosure processes. The deprioritisation of certain SFDR reporting obligations may provide temporary relief, but firms should not assume these requirements will be permanently removed. Strategically, simplification creates a window of opportunity: firms that can redeploy freed-up compliance resource towards higher-value activities — product innovation,

distribution expansion, ESG data quality — will emerge from this cycle better positioned than those that merely absorb the cost saving.

Joint Risk Assessments

Macro-Financial Backdrop

The JC remained the central forum for cross-sectoral risk discussions and analysis throughout 2025, preparing analytical material for the Spring risk presentation and publishing a comprehensive Joint Autumn 2025 Risk Report.

The JC prepared analytical material for a Spring risk presentation and published a comprehensive Joint Autumn 2025 Risk Report,² setting out the ESAs’ assessment of cross-sectoral vulnerabilities and emerging threats.

2025 was characterised by heightened geopolitical tensions (including ongoing conflicts in Ukraine and the Middle East) and new trade barriers. Economic growth forecasts were revised downward, reflecting persistent uncertainty, the potential impact of trade disruptions, and diverging monetary policy paths among major economies. While some improvement in expectations emerged as trade measures became clearer, downside risks remained significant across 2025.

Key Risk Themes

Risk Theme	Description	Key ESA Observations	Firm Implications
Geopolitical and trade risks	Cross-cutting risks affecting financial institutions through market volatility, operational disruptions and market confidence implications	Unrestricted access to critical market infrastructures and third-party providers essential; rapid shifts risk abrupt corrections	Stress-test resilience against restricted non-EU infrastructure access
Cyber and third-party risk	Sophisticated cyberattacks combined with high third-party IT concentration, often in third countries	Systemic incident and contagion risk; need for cyber resilience investment and ICT diversification	Concentration risk in third-country providers warrants board-level attention
Structural shifts	Expanding links between traditional finance and crypto-assets; growing exposures to non-bank financial intermediation (NBFI)	Crypto-asset interlinkages and non-bank intermediation require close monitoring	Monitor exposures to business model evolution

² Available [here](#).

Risk Theme	Description	Key ESA Observations	Firm Implications
ESA recommendation	Strengthened management, resilience, monitoring of digital assets and NBF	risk cyber of Monitor EU integration initiatives (Savings and Investments Union (SIU), Banking Union)	Holistic resilience planning essential

Sustainable Finance

Sustainable finance remained a core pillar of the JC’s cross-sectoral work, with continued focus on SFDR implementation and the development of ESG stress testing frameworks.

The ESAs maintained a strong focus on the quality and consistency of sustainability-related disclosures, while advancing supervisory methodologies for the integration of ESG risks into prudential assessments.

SFDR PAI Disclosures

The fourth Joint Report on PAI disclosures documented steady improvements in the quality and completeness of disclosures by financial market participants, at entity and product level. Larger multinational groups tend to provide more detailed disclosures; smaller entities still face challenges. NCAs reported that many firms have incorporated good practices identified in earlier reports, particularly on completeness. The ESAs also issued new Q&As on application of the SFDR Delegated Regulation.

ESG Stress Testing Guidelines

The ESAs launched a public consultation on Joint Guidelines on ESG stress testing, mandated by the Capital Requirements Regulation (CRR) and Directive (CRD) and the Solvency II Directive (the prudential framework for insurers). The Guidelines set out how banking and insurance supervisors should integrate ESG risks into supervisory stress tests, aiming to harmonise methodologies and practices, ensure proportionality and enhance effectiveness and efficiency. Work was finalised in 2025; the final Guidelines were published in January 2026.

Regulated firms in the banking and insurance sectors should prepare for supervisory ESG stress testing requirements and ensure that their internal risk data infrastructure can support granular ESG risk quantification. Smaller firms should note the ongoing expectation of improved PAI disclosure quality and invest accordingly. For larger groups, the strategic implication is clear: ESG data capability is no longer a reporting exercise but a core risk management competency. Firms that can demonstrate robust, auditable ESG risk quantification will be better positioned in supervisory dialogue, capital planning and — increasingly — in the eyes of institutional investors and counterparties conducting their own ESG due diligence.

Consumer Protection and Financial Innovation

Consumer protection remained central to the JC's cross-sectoral work, particularly in the context of digital finance, crypto-assets and retail investment products.

Within the framework of the EU Digital Finance Strategy, the ESAs worked to ensure that the regulatory and supervisory systems are suitable for a more digital financial landscape. This included enhancing consumer protection through clearer disclosures, improved complaint-handling procedures, and the promotion of digital and financial literacy.

Crypto-Asset Risk Communication

In October 2025, the ESAs issued a "joint warning"³ stressing that crypto-assets can be risky and that legal protection may be limited depending on the type of crypto-asset. They also published a consumer-oriented factsheet on the new EU regulation on markets in crypto-assets (**MiCAR**), explaining what crypto-assets are, which are regulated under MiCAR and which are not, and the types of providers consumers may encounter. The ESAs recommended practical steps for consumers, including checking whether a provider is authorised in the EU. Both the warning and the factsheet were translated into all EU languages and disseminated via NCA websites.

Financial Education and Fraud Prevention

At end-October 2025, the ESAs held a full-day workshop on financial education for NCAs, focusing on evaluation of national financial education initiatives and initiatives addressing fraud and scams in the digital era.

In December 2025, the ESAs published two factsheets to help consumers protect themselves from crypto and other online frauds and scams, including the growing use of AI by fraudsters. The factsheets provide practical tips on recognising and avoiding frauds and scams, explain common techniques (e.g. impersonation, investment scams) with concrete real-world examples, and guide consumers in identifying warning signs and suspicious behaviour, messages or offers. These factsheets were translated into all official EU languages and disseminated by national authorities.

Firms authorised under MiCAR should ensure their marketing and disclosure materials align with the supervisory expectations expressed in these publications. The emphasis on AI-enabled fraud also signals potential future regulatory action in this area — and reputational exposure for firms that are slow to respond. In a market where consumer trust is a scarce commodity, early movers on fraud prevention and transparent risk communication may gain a durable competitive advantage over peers who treat these as second-order compliance concerns.

³ Available [here](#).

Joint Consumer Protection Day

The 12th Joint Consumer Protection Day took place on 5 November 2025 in Riga under the theme “Building a framework for more efficient, simpler, and safer financial services for consumers.” The event attracted more than 300 participants from NCAs, industry, academia and civil society.

PRIIPs Implementation

To support consistent retail investor protection, the ESAs published updated consolidated PRIIPs Q&As in May 2025, covering performance scenarios, cost disclosures and presentation of information in KIDs. These clarifications are intended to support clear, comparable and meaningful information across the EU.

Supervisory Capabilities

The ESAs and the European Commission jointly advanced the Digital Finance Academy for supervisors to enhance supervisory capacity to address emerging technologies and digital risks.

Sanctions and Measures under PRIIPs

NCAs in Belgium, Denmark, Hungary and Poland reported twelve administrative sanctions or measures under the PRIIPs Regulation for 2025. These included administrative fines totalling PLN 88,000 (EUR 20,548), an order prohibiting the provision of a non-compliant KID and requiring publication of a new version, orders suspending marketing of a PRIIP, and other measures under Article 24(3) PRIIPs.

This demonstrates active enforcement across multiple jurisdictions. Firms manufacturing or distributing PRIIPs must ensure ongoing compliance with the latest Q&A guidance and remain aware that non-compliance carries tangible enforcement consequences.

Securitisation

In March 2025, the ESAs published an evaluation report on the functioning of the Securitisation Regulation (**SECR**), recommending targeted simplifications to enhance effectiveness while preserving investor protection and financial stability.

The report recommended targeted simplifications to enhance the effectiveness of the framework, while preserving high investor protection and financial stability. It also identified areas where regulation and supervision could be further strengthened to support robust, well-functioning EU securitisation markets.

Originators, sponsors and investors in securitisation transactions should monitor forthcoming legislative proposals that may implement the ESAs’ recommendations. Simplification could reduce barriers to issuance and broaden the investor base, whilst enhanced transparency requirements may impose additional operational demands. For market participants with the infrastructure to absorb these changes efficiently, the recalibrated SECR framework may represent an opportunity to gain market share from less agile competitors — particularly in cross-border transactions where regulatory friction has historically constrained deal flow.

European Forum for Innovation Facilitators (EFIF)

The European Forum for Innovation Facilitators (**EFIF**) remained a key platform for supervisory dialogue on FinTech developments (i.e. technology-driven innovation in financial services), regulatory sandboxes (controlled environments in which firms can test innovative products under supervisory oversight) and the intersection of BigTech (large technology companies such as platform operators and cloud providers) in financial services.

Contribution to AI Regulatory Sandboxes

EFIF provided expert input to the AI Board's Subgroup on Sandboxes regarding good practices for AI regulatory sandboxes under the AI Act.

Mandate Review

In the second half of 2025, EFIF conducted a mandate review to reprioritise tasks and update its working modalities.

BigTech and Mixed-Activity Groups

EFIF launched a second stocktaking of BigTechs and mixed-activity groups providing financial services in the EU, mapping direct provision of financial services by BigTech subsidiaries, authorisation status, types of regulated services offered, customer bases, and extent of cross-border activity. Several EFIF workshops were held, including on the role of BigTechs, open finance, and AI supervision.

The work culminated in a non-public Joint ESA stocktaking report, building on 2024 findings and highlighting risks in “white-labelling” arrangements — i.e. arrangements where a BigTech or technology firm provides the underlying infrastructure or service, which is then offered to end-customers under the brand of an authorised financial institution. The report identified follow-up topics for the 2026 Work Programme, including enhanced cross-border supervisory coordination, synergies with the DORA critical ICT third-party register, and tracking the impact of the Digital Markets Act (**DMA**). In September 2025, the ESAs issued a public BigTech factsheet summarising key outcomes.

Regulated firms with white-labelling arrangements involving BigTech entities should anticipate increased supervisory focus on these structures. The convergence of DORA oversight with broader BigTech monitoring suggests a more holistic approach to supervisory assessment of technology dependencies — one that looks through contractual form to economic substance. For acquirers and investors, white-labelling exposure is emerging as a material due diligence item: transactions involving targets with opaque or concentrated BigTech dependencies may warrant enhanced scrutiny, bespoke warranty coverage and, in some cases, valuation adjustments.

European Single Access Point (ESAP)

The ESAs continued building the technical framework, standards and two-tier operational infrastructure for ESAP throughout 2025.

ESAP is intended as a centralised, digital, free-of-charge EU platform, launched as part of the Capital Markets Union (CMU) and the European Green Deal. It will provide unified access to public financial and sustainability-related information on EU companies and investment products, reducing search costs and facilitating cross-border investment.

Financial Conglomerates

The ESAs updated and published the annual list of identified financial conglomerates (i.e. groups with significant activities across at least two of the banking, insurance and securities sectors),⁴ covering 58 groups with heads of group located in the EU or EEA.

Additional Q&As on risk concentration and intra-group transactions reporting for financial conglomerates were published on the dedicated website. Work continued on developing templates for capital adequacy reporting.

Other Cross-Sectoral Joint Committee Work

Beyond the thematic workstreams above, the JC advanced a number of cross-cutting initiatives in 2025, including fit-and-proper information exchange, AMLA cooperation and the Board of Appeal.

ESAs Information Exchange System (Fit-and-Proper)

The ESAs launched the Fit and Proper Information System, a major step in enhancing cross-border supervisory cooperation and convergence on fitness and propriety assessments (i.e. the regulatory assessments of whether individuals are suitable to hold senior positions or significant ownership stakes in regulated entities). Joint Guidelines (applicable since 17 February 2025) establish a harmonised framework for information exchange between competent authorities regarding holders of qualifying holdings, directors and key function holders of financial institutions and financial market participants.⁵ An updated compliance table on these Joint Guidelines was published in September 2025. Competent authorities are expected to

⁴ Available [here](#).

⁵ Available [here](#).

feed the ESAs Information Exchange System with data on both individuals and legal persons, including upload of historical information and ongoing submission of new assessments.

For regulated firms, this means that adverse fitness and propriety determinations in one Member State will be more readily accessible to supervisors across the EU. Firms should ensure that their governance and due diligence processes for senior appointments and qualifying holdings fully account for this enhanced information-sharing regime. For M&A practitioners, the implications are material: targets with historical fitness and propriety issues — even if resolved locally — may face enhanced scrutiny in post-completion regulatory engagement, and acquirers should factor this into change-of-control planning and key-person retention strategies.

Cooperation with AMLA

In July 2025, the ESAs signed a multilateral Memorandum of Understanding (**MoU**) with the new Authority for Anti-Money Laundering and Countering the Financing of Terrorism (**AMLA**). The MoU sets out arrangements for information sharing, policy coordination, institutional cooperation and capacity building. The cooperation aims to prevent regulatory and supervisory gaps, avoid overlapping or conflicting requirements, and ensure neither AMLA nor the ESAs operate in isolation — supporting consistent policy development and clearer expectations for NCAs and financial institutions.

Regulated firms should expect a more coordinated supervisory approach to anti-money laundering and countering the financing of terrorism (**AML/CFT**) across prudential and conduct dimensions. The establishment of AMLA and its cooperation framework with the ESAs will likely result in more consistent expectations and potentially more stringent cross-border enforcement coordination. For groups operating in multiple Member States, this convergence is a double-edged sword: it reduces the scope for regulatory arbitrage, but also creates an opportunity to rationalise fragmented compliance frameworks and achieve genuine economies of scale in AML/CFT control infrastructure.

ESAs' Joint Board of Appeal

The Board of Appeal (BoA) is the independent body responsible for appeals against certain ESA decisions. In December 2025, the BoA issued a decision on costs in the appeal brought by a market participant against one of the ESAs. The BoA confirmed its competence to decide on allocation and taxation of costs, clarified that only objectively necessary and reasonable costs are reimbursable, and ruled on the total amount of costs to be reimbursed.

Key Implications for Regulated Firms

The JC's 2025 work gives rise to a number of forward-looking considerations for financial institutions operating in the EU:

1. DORA implementation and CTPP dependency. Financial entities should reassess ICT risk management, register-of-information completeness and dependencies on the nineteen designated CTPPs, and anticipate increasing transparency, engagement and oversight through the new governance structures.

2. Cyber coordination participation. Institutions with systemic or cross-border profiles should expect greater interaction with EU-level frameworks (EU-SCICF, CITE) and ensure incident management, reporting and communication protocols are aligned with evolving expectations.

3. ESG risk and disclosures. Firms in scope of SFDR should benchmark their PAI disclosures against the JC's findings and NCAs' observations. Banks and insurers should plan for integration of the ESG stress testing Guidelines into supervisory reviews once they apply.

4. Retail and crypto-asset conduct risk. Providers with retail crypto-related offerings or high digital engagement should review their client disclosures, risk warnings and fraud-prevention/education practices against the ESAs' consumer-facing materials, including AI-enabled scams.

5. Innovation and BigTech oversight. FinTech firms, BigTech and mixed-activity groups should anticipate closer supervisory scrutiny of white-labelling structures, cross-border activities and dependencies under both EFIF and DORA.

6. AML / fit-and-proper convergence. Groups operating in multiple Member States should expect more structured information sharing on fit-and-proper assessments and more coordinated AML/CFT expectations through ESAs-AMLA cooperation.

Outlook

The JC's 2025 Annual Report is not merely a retrospective account of cross-sectoral achievements — it is a clear signal of supervisory intent. The ESAs are moving decisively towards an integrated oversight model in which digital operational resilience, ESG risk and consumer protection are no longer siloed concerns but interlocking pillars of a single regulatory architecture. With DORA now fully in application, the nineteen designated CTPPs under formal oversight, and the EU-SCICF and CITE operationalised, the infrastructure for EU-wide ICT risk supervision is in place. Regulated firms would be well advised to treat these developments not as a compliance checklist, but as the opening chapter of a more interventionist supervisory cycle — one in which the cost of regulatory friction will increasingly determine competitive positioning.

Looking ahead, the convergence of prudential, conduct and sustainability agendas will accelerate — and with it, the compliance cost differential between well-prepared firms and laggards. The finalisation of ESG stress testing Guidelines, the continued stocktaking of BigTech activity, and the deepening cooperation with AMLA all point to a regulatory landscape in which sectoral boundaries are increasingly porous and supervisory expectations increasingly harmonised. For sponsors, acquirers and strategic investors, these dynamics have direct valuation implications: CTPP dependency, white-labelling exposure, SFDR disclosure quality and AML/CFT control maturity are no longer peripheral due diligence items but core risk factors that will increasingly affect deal pricing, warranty packages and post-completion integration costs.

For incumbent financial institutions, the strategic calculus is equally consequential. Firms that have invested early in DORA-compliant ICT governance, robust ESG data infrastructure and cross-border regulatory engagement will be better positioned to absorb the compliance burden — and to capitalise on the competitive dislocation that inevitably accompanies regulatory transition. Those that have deferred investment, or that remain overly dependent on concentrated third-party arrangements now subject to CTPP oversight, face a narrowing window to remediate before supervisory attention intensifies in 2026–2027.

For FinTech, BigTech and mixed-activity groups, the message is more nuanced. The ESAs' stocktaking of white-labelling arrangements and the convergence of DORA and DMA oversight signal a supervisory willingness to look through corporate structures and assess substance over form. Business models predicated on regulatory arbitrage — whether through jurisdictional fragmentation, outsourcing opacity or reliance on the authorisation status of partner institutions — will face increasing scrutiny. At the same time, firms that can demonstrate genuine value-add, robust governance and transparent risk allocation may find that the new framework creates barriers to entry for less sophisticated competitors, consolidating market share among compliant incumbents and well-capitalised challengers.

About us

PwC Legal is assisting a number of financial services firms and market participants in forward planning for changes stemming from relevant related developments. We have assembled a multi-disciplinary and multijurisdictional team of sector experts to support clients navigate challenges and seize opportunities as well as to proactively engage with their market stakeholders and regulators.

Moreover, we have developed a number of RegTech and SupTech tools for supervised firms, including PwC Legal's Rule Scanner tool, backed by a trusted set of managed solutions from PwC Legal Business Solutions, allowing for horizon scanning and risk mapping of all legislative and regulatory developments as well as sanctions and fines from more than 2,500 legislative and regulatory policymakers and other industry voices in over 170 jurisdictions impacting financial services firms and their business.

Equally, in leveraging our Rule Scanner technology, we offer a further solution for clients to digitise financial services firms' relevant internal policies and procedures, create a comprehensive documentation inventory with an established documentation hierarchy and embedded glossary that has version control over a defined backward plus forward looking timeline to be able to ensure changes in one policy are carried through over to other policy and procedure documents, critical path dependencies are mapped and legislative and regulatory developments are flagged where these may require actions to be taken in such policies and procedures.

The PwC Legal Team behind Rule Scanner are proud recipients of ALM Law.com's coveted "2024 Disruptive Technology of the Year Award" and the "2025 Regulatory, Governance and Compliance Technology Award in 2025".

If you would like to discuss any of the developments mentioned above, or how they may affect your business more generally, please contact any of our key contacts or PwC Legal's RegCORE Team via de_regcore@pwc.com or our [website](#).



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