



EU and UK regulatory milestones for digital assets in 2025

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The year ahead sees the implementation of regulatory changes around sustainability, environmental harm and digital assets across the EU and the UK.

There is also a focus on digital asset risk management and digital asset regulation. All of this is set against the backdrop of the new Trump administration which could turn everything regulatory on its head, drive protectionism and lead to a higher-risk investment environment.

| The Digital Operational Resilience Act

The Digital Operational Resilience Act (DORA) came into force on 16 January and raises the bar globally for digital security in the financial services industry. Financial entities that are in scope should have completed their assessments and will be updating their member state regulatory bodies as to any key dependency digital service providers by 30 April 2025. See our article on this and the impact on international finance centre entities and service providers in our [January 2025 Channel Islands funds update](#). Similar, if arguably less onerous, rules have been enacted in the UK and came into force on 1 January 2025.

| ESG reporting

Ratings agencies have come under significant scrutiny as to how they are giving ESG ratings. This is long overdue in terms of regulation and it is expected that the UK Government will enact legislation, bringing in rules to ensure transparency regarding the methodologies, governance and processes used to decide the ratings.

The EU is also under pressure to consolidate the legislation around corporate sustainability. This is under review and may mean that the Corporate Sustainability Due Diligence Directive, the Corporate Sustainability Reporting Directive, and the EU taxonomy for sustainable finance are in some way consolidated or simplified.

ESG fund disclosures

There are changes afoot in the UK and the EU for the reporting of sustainability of financial instruments and products. In the UK, disclosures in respect of each sustainability labelled product is required within 12 months of the designation or by 2 December 2025 at the latest. Entity-level disclosure requirements enter into force from 2 December 2025 for firms with more than £50bn assets under management.

In the EU from 21 May 2025, existing funds must comply with the European Securities and Markets Authority's (ESMA) ESG fund name guidelines, including investment criteria for funds branded with sustainability or ESG related terms. In addition, the EU is scheduled to review of the Sustainable Finance Disclosure Regulation and technical standards in 2025. No date has been set for this as yet, but the technical standards for Principal Adverse Impact reporting and "do no significant harm" test is expected in 2025.

Retail investors

The EU has indicated that it requires a new retail investment product or vehicle to make investing more accessible to consumers who are currently sitting on their savings in bank accounts rather than investing them, which impacts both their wealth and that of the bloc. Finance experts are arguing that this undermines the branding of the UCITs product, which has been an incredible success for many years and should be sufficient to fulfil this objective. However, in a bid to make the market more attractive other measures are also necessary. It is thought the EU will revisit value for money benchmarks, suitability assessments and key information documentation requirements for packaged retail and insurance-based investment products (PRIIPs) - all of which is under review in 2025. ESMA is due to provide fund liquidity management guidelines by mid-April and rules of loan origination funds by the end of the year.

Markets in crypto-asset regulation

MiCA came into force at the end of 2024. See our article on this and its ongoing requirements: [ESAs joint guidelines: Enhanced consistency in crypto-asset classification and third-country sales](#)

How Ogier can help

Ogier's regulatory experts can guide you to ensure your business or investments are in line with any of the above regulatory developments. Our funds and corporate teams understand your businesses and can help with day to day regulatory advice. When issues arise or regulators get involved our business crisis team will step in to help our clients manage the risks. Feel free to contact Rachel to learn more.

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