

Being better informed

FS regulatory bulletin

FS regulatory insights

May 2025

In this month's edition:

- PRA sets out strategic priorities for 2025-26
- FCA unveils Annual Work Programme
- HMT publishes draft statutory provisions for cryptoassets
- PRA proposes updated climate risk expectations for banks and insurers



Executive summary



Welcome to this edition of 'Being better informed', our monthly FS regulatory bulletin, which aims to keep you up to speed with significant developments and their implications across all the financial services."



Conor MacManus

Director, FS Regulatory Insights

+44 (0) 7718 979428

conor.macmanus@pwc.com

April was a busy month, with several key publications which provide further clarity on the regulatory agenda for the coming year.

The FCA published its 2025-26 Annual Work Programme, following its recently-published 2025-30 Strategy. The Plan outlines the FCA's priority actions for the coming year, centred around supporting economic growth, helping consumers navigate their financial lives, tackling financial crime, and enhancing regulatory efficiency. Our [At a glance](#) briefing provides more information.

Meanwhile, the PRA released its 2025/26 Business Plan, setting out four strategic priorities and its planned activities across each of these. The Business Plan contains sector-specific activities, such as the planned and ongoing stress tests of the banking and insurance sectors, as well as multi-sector priorities, such as initiatives to improve firms' operational resilience. The PRA emphasises maintaining robust standards while adapting regulation to technological and market changes. See our [At a glance](#) publication for further details.

The UK regulators also published the latest edition of the Regulatory Initiatives Grid, which provides an updated view of upcoming initiatives over the next 24 months. It reflects a continued emphasis on supporting competitiveness and proportionality, with regulators pledging to streamline regulatory interventions, but nonetheless reflects a very busy agenda. Notable updates include HM Treasury's plans to consult on a long-term framework for Open Banking this year, and the PRA's intention to consult on proposals to change its reporting requirements, following the Banking Data Review by the end of 2025.

Elsewhere, in a targeted communication to CFOs of UK banks, the PRA raised concerns about the financing structures underpinning significant risk

transfer (SRT) transactions. The regulator flagged risks related to the economic substance of SRT deals where financing arrangements may undermine risk transfer. The PRA expects firms to assess and validate the effectiveness of SRT structures and to engage proactively with supervisors where complex financing techniques are employed.

In the insurance sector, the PRA consulted on a proposed new Matching Adjustment Investment Accelerator regulatory framework. This initiative aims to enable UK insurers to act more swiftly on emerging investment opportunities by removing the need for prior PRA approval before firms can claim Matching Adjustment benefits on certain assets. This forms part of broader reforms to Solvency II. Subject to feedback on this consultation, the PRA could implement the proposed framework from Q4 2025, with the exception of the changes to Matching Adjustment Asset and Liability Information Return reporting, which are expected to take effect from 31 December 2026.

The FCA provided further detail on its plans for a new Consumer Composite Investments disclosure regime. The regime aims to simplify existing requirements, make product information more transparent and engaging, and better enable digital communications. The regulator has issued a second consultation on the regime, following initial proposals published in December 2024. Its second consultation proposes: draft handbook text, an approach to the calculation of transaction costs, and transitional provisions to allow firms flexibility to move to the new regime as soon as they are ready. Final rules, feedback to both consultations and the Policy Statement are expected in late 2025.

Finally, the FCA consulted on changes to the definition of capital for investment firms. The regulator proposes to streamline and simplify

the definition of capital rules, and to remove all references to the UK Capital Requirements Regulation (UK CRR) from the definition of regulatory capital that applies to FCA investment firms within MIFIDPRU 3. It says that many UK CRR rules on own funds were designed for banks, and are not fully aligned with the business models of investment firms. The consultation does not propose changes to the levels of regulatory capital firms are required to hold, but aims to simplify and consolidate existing rules for what qualifies as regulatory capital.

Please read on to find out more about these and other developments. You can also visit our PwC webpage for further regulatory insights, including our recent [podcast episode](#) on T+1 settlement reform, featuring Andrew Douglas, Chair of the UK Accelerated Settlement Taskforce.

Conor MacManus

FS Regulatory insights

conor.macmanus@pwc.com

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Cross sector announcements

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Conor MacManus
FS Regulatory Insights
conor.macmanus@pwc.com

Artificial intelligence

FCA launches new AI testing initiative

The FCA announced the upcoming launch of a new artificial intelligence (AI) live testing initiative in a [speech](#) delivered by Jessica Rusu, Chief data, Information and intelligence officer, at the innovate finance global summit on 29 April 2025. This [new service](#), set to be launched in September 2025, will provide a controlled, regulator-supported environment where firms can test AI models in real-world conditions while engaging directly with the FCA. The aim is to help firms deploy AI safely and responsibly, with a focus on understanding how AI systems perform against regulatory expectations, particularly around governance, transparency, and consumer outcomes.

Rusu positioned the initiative as an evolution of the FCA's existing innovation services, such as the digital sandbox and regulatory sandbox, but tailored specifically to the complexities of AI. The live testing environment is intended to support learning, reduce deployment risks, and foster a collaborative regulatory approach as AI becomes increasingly embedded in financial services.

She also reaffirmed the FCA's preference for adapting existing frameworks to new technologies rather than creating AI-specific regulation, aligning with principles of proportionality and risk-based supervision. This aligns with the [new FCA strategy](#) in which the regulator indicated it will take an increasingly 'tech-positive' approach to support growth, while safeguarding market integrity and consumer interests.

Conduct

FCA unveils its annual work programme

The FCA published its [Annual Work Programme for 2025/26](#) on 8 April 2025, outlining the key activities it will deliver over the coming year in line with its recently published [five-year strategy](#). Alongside the Programme, the FCA also published its [outcomes and metrics](#), and restated their intention to report progress against HM Treasury's [regulatory support for growth paper](#) (published March 2025).

Initiatives are structured around the regulator's four strategic priorities:

- A smarter regulator: more efficient and effective.
- Supporting growth.
- Helping consumers navigate their financial lives.
- Fighting financial crime.

Please see our [At a glance](#) publication for more details.

Digital assets

HMT publishes draft statutory provisions for cryptoassets

HM treasury (HMT) [published](#) draft statutory provisions and a policy note on cryptoassets on 29 April 2025. This is the core enabling legislation, bringing cryptoassets, including operating trading exchanges and issuing stablecoins, within the scope of the financial services and markets act 2000 (FSMA) and the regulated activities order.

Firms in scope will have to meet clear standards on transparency, consumer protection, and operational resilience, with provisions for market abuse and disclosure

Executive summary	Cross sector announcements	Banking and capital markets	Asset and wealth management	Insurance
<p>regimes to follow. HMT invites technical comments on the draft provisions by 23 May 2025. The Government says it will bring forward final cryptoasset legislation at the earliest opportunity, following engagement on the draft provisions with industry.</p> <p>Following the announcement, the FCA published a discussion paper (DP) on regulating crypto activities on 2 May 2025. The DP sets out the FCA's proposed regulatory framework for cryptoasset trading platforms, intermediaries, lending and borrowing, restructuring the use of credit, staking and decentralised finance (DeFi).</p> <p>The FCA proposes UK authorisation for crypto trading platforms serving UK clients, focusing on non-discretionary execution, conflict management, and transparency. Principal trading is discouraged. Firms must have a UK presence and meet data and conduct standards. Intermediaries and lending activities would also require authorisation. The FCA is considering restrictions on credit use for crypto purchases, regulating staking services, and applying existing principles to DeFi where control exists, aiming to ensure market integrity and consumer protection.</p> <p>The DP closes on 13 June 2025 and will be followed by regulatory consultations, as per the FCA's crypto roadmap.</p> <p>Policy</p> <p>Regulators publish latest version of the Grid</p> <p>The UK regulators published the latest version of the Regulatory Initiatives Grid on 14 April 2025, detailing their work plan for the next 24 months. The Grid contains fewer new policy announcements than previous iterations, reflecting the significant number of in-train initiatives and the regulators' focus on supporting the government's growth agenda. The Grid contains a number of important updates to timings and priorities. In the banking sector, these include:</p>	<ul style="list-style-type: none"> • HMT to publish the first set of consumer credit act reform proposals and lay legislation to bring buy-now-pay-later into FCA regulation in spring 2025. • The PRA's consultation on the prudential treatment of firms' exposure to cryptoassets, due in Q4 2025. • HMT to consult on a long-term framework for open banking in 2025. • Next steps on the FCA's non-financial misconduct review are due by the end of June 2025. <p>In the insurance sector, the regulators restate expected outputs of a number of existing initiatives, including timing of the PRA's dynamic general insurance stress test and implementation of its insurance special purpose vehicles regime.</p> <p>In asset management, the regulators confirm a range of initiatives including existing work on: liquidity risk management to funds, implementation of FSB and IOSCO guidelines, and the 'streamlining' of the assessment of value in COLL.</p> <p>The Grid also contains a number of updates on the ESG agenda:</p> <ul style="list-style-type: none"> • Updates on the timeline for the UK's adoption of the ISSB standards. • Government to consult in H1 2025 on how best to take forward requiring transition plans for FTSE 100 companies and UK-regulated financial institutions. • The government plans to publish a consultation response on the UK green taxonomy in 'due course', setting out next steps. <p>Prudential</p> <p>PRA publishes 2025/26 business plan</p> <p>The PRA published its Business Plan for 2025/26 on 10 April 2025, setting out four strategic priorities and its planned activities</p>	<p>under each priority. Its priorities are grouped around the following themes:</p> <ul style="list-style-type: none"> • Maintaining and ensuring the safety and soundness of the banking and insurance sectors and ensuring continuing resilience. • Being at the forefront of identifying new and emerging risks, and developing international policy. • Supporting competitive, dynamic and innovative markets, alongside facilitating international competitiveness and growth, in the sectors it regulates. • Running an inclusive, efficient, and responsive regulator within the central bank. <p>The business plan contains sector-specific activities, such as the planned and ongoing stress tests of the banking and insurance sectors, as well as multi-sector priorities, such as initiatives to increase firms' operational resilience.</p> <p>For further analysis, see our At a glance publication.</p> <p>Sustainability</p> <p>PRA proposes higher bar for managing climate risks</p> <p>The PRA published its consultation paper CP10/25 on 30 April 2025, updating its expectations for how banks and insurers should manage climate-related risks. The PRA said that whilst the industry has made progress in managing climate risk, further action is needed to identify and manage climate-related risks effectively. The proposals build on the 2019 guidance set out in SS3/19 and would represent a step up in terms of requirements and expectations.</p> <p>CP10/25 retains SS3/19's scope, and aims to clarify and enhance existing guidance to promote greater consistency in firms' approaches to managing climate risk.</p>	<p>under each priority. Its priorities are grouped around the following themes:</p> <ul style="list-style-type: none"> • Maintaining and ensuring the safety and soundness of the banking and insurance sectors and ensuring continuing resilience. • Being at the forefront of identifying new and emerging risks, and developing international policy. • Supporting competitive, dynamic and innovative markets, alongside facilitating international competitiveness and growth, in the sectors it regulates. • Running an inclusive, efficient, and responsive regulator within the central bank. <p>The business plan contains sector-specific activities, such as the planned and ongoing stress tests of the banking and insurance sectors, as well as multi-sector priorities, such as initiatives to increase firms' operational resilience.</p> <p>For further analysis, see our At a glance publication.</p> <p>Sustainability</p> <p>PRA proposes higher bar for managing climate risks</p> <p>The PRA published its consultation paper CP10/25 on 30 April 2025, updating its expectations for how banks and insurers should manage climate-related risks. The PRA said that whilst the industry has made progress in managing climate risk, further action is needed to identify and manage climate-related risks effectively. The proposals build on the 2019 guidance set out in SS3/19 and would represent a step up in terms of requirements and expectations.</p> <p>CP10/25 retains SS3/19's scope, and aims to clarify and enhance existing guidance to promote greater consistency in firms' approaches to managing climate risk.</p>	<p>It proposes stronger and more specific requirements than SS3/19, whilst covering the same topics (governance, risk management, scenario analysis, data, disclosures). To meet the proposed expectations, firms would need to embed climate-related risks into their strategy by aligning governance and decision-making processes with material climate risks, supported by more robust scenario analysis and strengthened climate risk framework. New sector-specific expectations would also be introduced for banks and insurers. For example:</p> <ul style="list-style-type: none"> • Banks would be expected to embed climate risks within financial reporting, capital adequacy, and liquidity adequacy frameworks • Insurers would need to embed climate-related risks across underwriting, reserving, capital, and balance sheet processes as well as better assessing climate risk's impact on technical provisions and asset valuations. <p>The consultation closes on 30 July 2025. Final supervisory expectations will be published thereafter, with an expected six-month transition period.</p> <p>Please see our At a glance publication for more information.</p> <p>FCA updates on sustainability-related governance discussion paper</p> <p>The FCA updated its website on 2 April 2025 and published feedback on its discussion paper (DP23/1) on finance for sustainable change, along with its planned next steps. Originally published in February 2023, DP23/1 explored how regulated firms are embedding sustainability into their governance and culture. While the FCA has confirmed it is not currently considering new rules in response to DP23/1, it intends to continue to advance the themes through other channels, including supervisory engagement, convening industry stakeholders, and international initiatives.</p>

TPR publishes 2025 climate change adaptation strategy

The Pensions Regulator (TPR) published on 10 April 2025 both its [2025 Climate Adaptation Report](#) and its [Climate Change Adaptation Strategy 2025](#). The climate adaptation report sets out TPR's adaptation priorities and how it is supporting the regulated community in managing climate-related risks. The adaptation strategy focuses on risks to TPR as an organisation and the actions needed to manage them. It includes a Climate Change Risk Assessment (CCRA) and a climate change adaptation plan, and is intended to complement TPR's ongoing work on climate change and environmental sustainability.

The climate adaptation report summarises key initiatives to date and outlines ongoing actions, including: educating and supporting trustees; enforcing against non-compliance with climate and ESG duties; encouraging schemes to go beyond minimum requirements and build capability in managing sustainability risks; and collaborating with government, regulators, and industry to enhance the sector's resilience to climate and ESG risks.

Additionally, [TPR said](#) that small defined contribution (DC) schemes that are not taking appropriate action to manage climate-related risks should consider exiting the market in the best interests of savers.

Omnibus stop-the-clock proposal formally adopted

The European council on 14 April 2025 [officially approved](#) the omnibus 'stop-the-clock' proposal, delaying application dates for the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD), as well as the transposition deadline for the CSDDD. [Directive \(2025/794\)](#) was published in the Official Journal of the EU the same day. Member States must transpose the Directive into national law by 31 December 2025.

EFRAG sets out ESRS simplification work plan

EFRAG published [a draft work plan](#) on 15 April 2025 for revising the first set of European Sustainability Reporting Standards (ESRS) by 31 October 2025 in light of the EU Omnibus proposals and the mandate from the European Commission (EC). In order to meet the deadline for providing technical advice on simplifying the ESRS, EFRAG proposes the following for April-July 2025:

- Gathering evidence from stakeholders on existing issues and suggested amendments
- Developing a top-down view on the key levers driving 'substantial simplification' (e.g. revising the presentation and architecture, addressing the most challenging provisions, introducing general burden reduction reliefs, and substantially reducing the number of required data points).
- Analysing issued reports / other sources (e.g. reporting practices by wave 1 reporters, suggestions of amendments in letters sent to the EC by stakeholders before Omnibus, leveraging simplification work done in developing the ESRS for listed small, medium enterprises or LSME).

By the end of July 2025, it proposes drafting and approving the exposure drafts amending ESRS; and by August/September 2025, it proposes publishing the exposure drafts as well as receiving and analysing stakeholder feedback. Finally, by October 2025 it proposes finalising and delivering the technical advice to the EC and publishing a high-level impact assessment document.

FCA updates ESG and TCFD disclosure guidance for listed companies

The FCA published on 17 April 2025 its [Primary Market Bulletin No. 55](#) (FG25/1), updating the knowledge base across a range of topics. The Knowledge Base is the FCA's repository of non-handbook commentary that

has the status of formal FCA guidance. It is intended to help issuers, sponsors and practitioners interpret FCA rules, including the UK listing rules, Prospectus regulation rules and Disclosure Guidance and Transparency Rules (DTR). Included in this update are two Technical Notes (TNs) relevant to sustainability:

- [Primary Markets/TN/801.3 - Disclosures in relation to ESG matters, including climate change](#) includes guidance regarding UK listing rules, Prospectus regulation, DTR and market abuse regulation.
- [Primary Markets/TN/802.2 - TCFD aligned climate-related disclosure requirements for listed companies](#) includes guidance regarding UK listing rules.

Wholesale markets

FCA signals shift in PISCES framework requirements

On 10 April 2025 the FCA published an [update](#) on its proposed framework for the Private Intermittent Securities and Capital Exchange System (PISCES) sandbox, ahead of confirming its final rules.

The update indicates the FCA will streamline some of its proposed disclosure requirements, which would bring the PISCES framework further in line with the standards and practices in private markets. In particular, the FCA will not require firms wishing to participate in PISCES trading events to meet the previously-proposed litigation, sustainability and forward-looking information disclosure requirements. The FCA will also modify its expectations for PISCES operators' oversight of orderly trading conditions.

Our summary of the proposed PISCES framework is available [here](#).

The FCA's final rules are expected to be published in June 2025.

Banking and capital markets

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Conor MacManus
FS Regulatory Insights
conor.macmanus@pwc.com

Conduct

FCA reviews banks' bereavement and powers of attorney approaches

The FCA published the [findings](#) from its review into retail banks' treatment of customers affected by bereavement or registering powers of attorney (PoA) on 12 April 2025, setting out its view of good and poor practices for firms to consider. The FCA notes positive changes brought about as a result of the consumer duty, but finds that firms can improve their treatment of customers affected by bereavement or registering PoA.

The findings focus on four thematic areas:

- **Policies and procedures:** Firms generally had established vulnerable customer policies, but staff were often unclear on actions to take in the event of an emergency. The FCA notes that firms should also consider the appropriate balance of safeguarding customers from fraud or financial abuse, while ensuring customers can continue to undertake basic banking requirements.
- **Identifying and responding to customer needs:** The FCA wants firms to actively identify information that could indicate vulnerability, and highlights that training and competency issues were contributing to staff failing to follow correct processes.
- **Outcomes testing and monitoring:** The regulator finds scope for improvement across most firms reviewed, including MI not providing a sufficient view of customer outcomes and a lack of supporting commentary to senior committees.

- **Customer journeys:** The FCA encourages firms to design their customer journeys with vulnerable customers in mind. It finds that there can be a limited range of channels available to attorneys to access the relevant account, and firms' fragmented customer relationship management systems can cause friction and confusion.

The FCA has written to all firms in its review, setting out its findings and expected next steps for each firm to take.

Prudential

FCA and PRA to update LTI flow limit threshold

The FCA and PRA issued a [joint consultation \(CP25/6\)](#) on 3 April 2025 to increase the threshold for the volume of mortgages to which the loan to income (LTI) flow limit applies. This is in line with the Financial Policy Committee's (FPC) November 2024 [recommendation](#) that the LTI flow limit only apply to lenders which extend residential mortgages above £150m a year, up from £100m currently. The change is designed to address inadvertent regulatory tightening due to nominal UK GDP growth since the threshold was set in 2014.

The LTI flow limit requires lenders to ensure that no more than 15% of their new residential mortgage loans have a LTI ratio at, or greater than, 4.5. Currently, 1.5% of mortgage lending—across around 70 lenders—is exempt from the policy. Raising the threshold would increase this to 2.2%, involving around 80 lenders, bringing the exemption level closer to when the limit was first introduced.

The CP sets out the PRA's proposed amendments to the housing part of the PRA rulebook, and the FCA's proposed amendments to the general guidance initially issued in October 2014 (FG14/8), and revised in February 2017 (FG17/2). The consultation closes on 8 May 2025.

The FCA says the consultation is separate from its [mortgage rule review](#).

Supervision

PRA publishes CFO letter on significant risk transfer financing

The PRA published a [Dear CFO letter](#) on 9 April 2025 setting out its prudential expectations in relation to significant risk transfer (SRT) financing activities and highlighting observed practices in illiquid and structured financing portfolios.

The letter outlines key prudential concerns and areas of focus identified through recent supervisory work, along with ongoing expectations for firms and supervisory views linked to near-final policy changes outlined in [Policy Statement PS9/24 – Implementation of Basel 3.1 standards: near-final part 2](#) (published September 2024).

Firms are expected to apply the feedback across relevant portfolios to ensure capital treatment appropriately reflects the substance of the transaction, including the underlying collateral liquidity.

While specific firms were not named, some will be asked by their supervisors to submit a written response to the PRA by 11 June 2025. The PRA will then assess the need for further bilateral or cross-firm engagement.

Asset management

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Andrew Strange
FS Regulatory Insights
andrew.p.strange@pwc.com

Capital and liquidity

FCA consults on definition of capital for investment firms

The FCA issued a consultation paper ([CP 25/10](#)) on 24 April 2025 setting out proposed changes to the definition of capital for FCA investment firms. The CP proposes to make the definition of regulatory capital, known as 'own funds' under MiFIDPRU – the FCA's prudential sourcebook for investment firms that conduct MiFID activity – more accessible and less complex.

Currently, the prudential rules for investment firms in the UK contain various cross-references to the prudential rules for banks, as set out in the UK CRR. Firms must also take into account various technical standards.

The FCA is proposing to consolidate its own funds requirements for investment firms within MiFIDPRU in order to remove this complexity for firms. The regulator also proposes to simplify various provisions and remove the requirements that are not relevant for investment firms, which currently exist due to the cross-references to the UK CRR. This includes, for example, material about the bank resolution and recovery directive and special resolution regime.

This CP does not propose any changes to the amount of capital firms need to hold under MiFIDPRU. Separately, however, the FCA is conducting a 'Market risk review' to examine whether capital requirements for trading firms remain appropriate. A further publication on this broader issue is expected in early 2026.

Disclosure

FCA consults on CCI rules

The FCA provided further detail on the new Consumer Composite Investments (CCI) disclosure regime in a [consultation paper](#) on 16 April 2025. While the FCA has yet to respond to its recently closed first [consultation from December 2024](#), it has proposed draft handbook text for elements of the new regime.

The FCA has focused on the transitional provisions, which broadly will disapply some of the new (and old) rules during any transitional period - for example, the creation of machine-readable disclosures. This will allow product manufacturers to opt into the CCI, but limit distributors to only applying the new regime at the end of the transitional period.

The FCA also proposed amending some of the potential requirements around transaction costs, removing the need for implicit costs (e.g. slippage) to be included by firms. It also makes use of its powers granted under the Designated Activities Regime (DAR), to capture unauthorised firms which are part of the value chain (excluding OFR actors).

Comments are welcome until 28 May 2025, with final rules, feedback to both CPs and the Policy Statement expected in late 2025.

Investment funds

FCA and HMT review AIFM rules

HM Treasury (HMT) and the FCA commenced their review of the regulatory framework governing Alternative Investment Fund Managers (AIFMs) on 7 April 2025. This initiative seeks to create a more proportionate, flexible and growth-oriented environment for AIFMs while maintaining robust consumer protections and market integrity. HMT consulted on the legislative approach in [Regulations for Alternative Investment Fund Managers](#), with the FCA's [Call for Input: Future Regulation of Alternative Fund Managers](#) setting out its initial direction of travel.

The proposals will see the onshored AIFMD rules updated and moved to the FCA handbook. Changes planned include amending the criteria for 'full scope' and smaller firms, including changing the threshold for full scope firms to £5bn net AUM. The FCA also wants to remove some prescriptive rules, allowing firms to comply in a way that works best for them, delivers greater cross-border efficiencies and supports evolution of financial markets and technologies. This includes grouping handbook rules into clearer, thematic categories that reflect different business activities and phases of the product cycle.

The FCA welcomes comments on its call for input until 9 June 2025. It expects, following confirmation of HMT's approach, to consult on detailed rules in the first half of 2026, with a subsequent appropriate implementation timeline.

Please see our [At a glance](#) publication for more information.

Sustainability

FCA pauses extension of SDR regime to portfolio management

The FCA [announced](#) on 29 April 2025 that it will not finalise rules extending the Sustainability Disclosure Requirements (SDR) and investment labels regime to portfolio management at this time. The decision reflects industry feedback on implementation challenges, firm readiness, and the need for clarity on extending SDR to overseas funds. The FCA will continue to monitor the market and may revisit the extension in future; firms must still comply with anti-greenwashing requirements.

Insurance

In this section:

Prudential

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Anirvan Choudhury
FS Regulatory Insights
anirvan.choudhury@pwc.com

Prudential

PRA consults on matching adjustment investment accelerator framework

On 8 April 2025, the PRA launched a [consultation \(CP7/25\)](#) on the introduction of a new regulatory framework, the Matching Adjustment Investment Accelerator (MAIA) - a new regulatory framework aimed at enabling UK insurers to act more swiftly on emerging investment opportunities. The MAIA forms part of broader reforms to Solvency II and builds on reforms introduced in [Policy Statement 10/24](#).

By streamlining the process and removing the requirement for prior PRA approval before firms can claim Matching Adjustment (MA) benefits on certain assets, the initiative is intended to support timely, well-managed investment decisions. The proposed framework seeks to encourage greater investment by UK insurers in long-term, stable cash flow-generating assets, particularly those aligned with infrastructure and sustainability objectives. To support this, the consultation sets out proposed changes to the MA eligibility criteria, alongside revisions to risk management and stress-testing requirements. It also explores potential risks associated with the MAIA and invites feedback on mitigation approaches to ensure that the framework supports both financial stability and economic growth.

The consultation closes on 4 June 2025. Subject to feedback on this consultation, the PRA could implement the proposed framework from Q4 2025, with the exception of the changes to matching adjustment asset and liability Information Return reporting, which are expected to take effect from 31 December 2026.

Contacts



Conor MacManus
+44 (0) 7718 979 428
conor.macmanus@pwc.com
Director, FS Regulatory Insights



Andrew Strange
+44 (0) 7730 146 626
andrew.p.strange@pwc.com
Asset and wealth management



Anirvan Choudhury
+44 (0) 7843 423 721
anirvan.choudhury@pwc.com
Insurance prudential



Tessa Norman
+44 (0) 7753 812 594
Tessa.norman@pwc.com
Conduct



Laura Talvitie
+44 (0) 7483 304 630
laura.talvitie@pwc.com
Cryptoassets, payments
and financial crime



Rory Davis
+44 (0) 7483 326 478
rory.davis@pwc.com
Market access and conduct regulation



Hugo Rousseau
+ 44 (0) 7484 059 376
hugo.rousseau@pwc.com
Governance of tech



Laura Gammon-D'ippolito
+44 (0) 7483 334 474
laura.gammon-dippolito@pwc.com
ESG

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