

May Market Moves

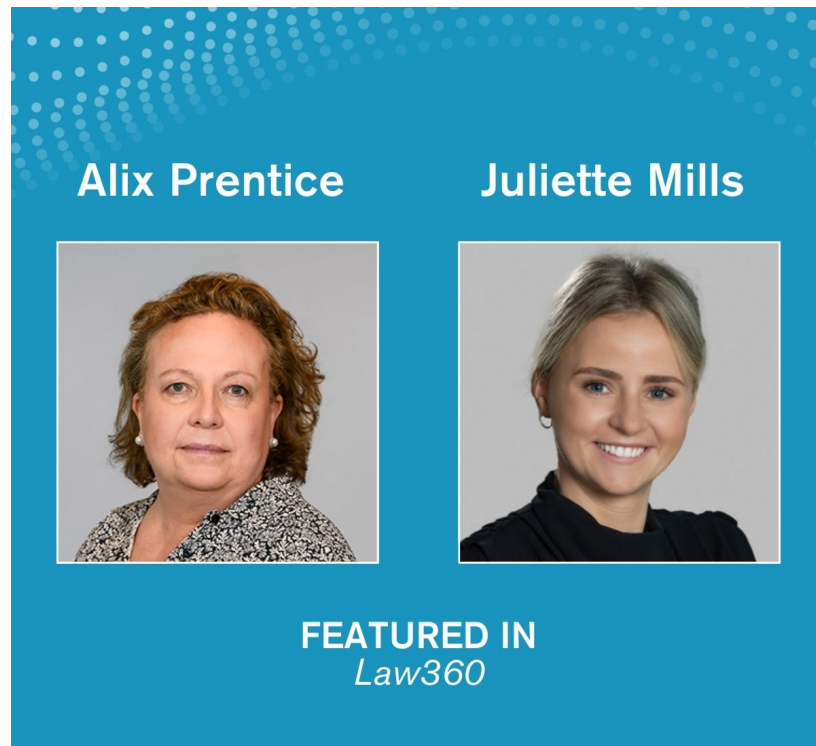
May 1, 2025

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FCA Bulletin Highlights Risks of Leaking Inside M&A Info

May 1, 2025



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Cadwalader partner [Alix Prentice](#) and associate [Juliette Mills](#) have co-authored an article in *Law360*, "[FCA Bulletin Highlights Risks Of Leaking Inside M&A Info](#)," published on April 24.

In the article, Alix and Juliette discuss the Financial Conduct Authority's Primary Market Bulletin 54, which addresses concerns regarding "the deliberate and inadvertant leaking of material and price sensitive information during live merger and acquisition transactions." They explain the current U.K. rules regarding market manipulation and break down the main objectives of the bulletin, which include enhanced vigilance, reminder of legal obligations and potential consequences.

Read the full article [here](#).

Modifications to the Capital Plan Rule and Stress Capital Buffer Requirement – Notice of Proposed Rulemaking

May 1, 2025



By Christopher Horn
Partner | Financial Services



By Chris van Heerden
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The Federal Reserve Board has requested comment on a proposal designed to **reduce the volatility of the capital requirements** stemming from its annual stress tests. The proposal would achieve this primarily by **averaging the maximum common equity tier 1 capital declines from the prior two annual supervisory stress tests** to inform a firm's stress capital buffer requirement for firms subject to Category I-III standards. For firms subject to Category IV standards subject to biennial supervisory stress tests, results would not be averaged unless those firms voluntarily opt in to consecutive annual stress tests or are subject to consecutive annual stress tests due to a material change.

The proposal would also **extend the annual effective date of the stress capital buffer requirement from October 1 to January 1** of the following year, giving banks more time to adjust and plan. Additionally, the proposal includes targeted changes to regulatory reporting forms (FR Y-14 reports) to improve data collection for the stress test and remove unneeded items. Comments on the proposal are **due by June 23, 2025**.

The notice also states that the Board plans to issue proposals on the models it uses for its supervisory stress tests, as well as the supervisory scenarios used in those stress tests.

The current and future proposals are important because the Board uses stress test results to set the capital requirements for large banks. Among other things, we expect that this rulemaking project will help clarify the credit that **bank credit risk transfer ("CRT")** transactions receive under the stress test models.

Industry Overview

As mentioned in the recent edition of the *Cabinet*, capital management strategies continue to be a focus area for banks in 2025, even though regulatory capital rulemaking has taken a new direction in the U.S. The credit risk transfer ("CRT") market is maturing into a conversation reaching beyond capital implications to loan concentration management and potential return on equity benefits of reducing risk weighted assets. We frame these trends in the broader business context in [this linked report](#).

More on the Changes to the U.C.C.'s Definitions of Money

May 1, 2025



**Mercedes
Tunstall**



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Featured in *The Banking Law Journal*

C A D W A L A D E R

Cadwalader partner [Mercedes Kelley Tunstall](#) and senior counsel [Chris McDermott](#) authored an article, "[More on the Changes to the U.C.C.'s Definitions of Money](#)," published in the May 2025 edition of *The Banking Law Journal*. In the article, Mercedes and Chris discuss the amended money-related definitions in U.C.C. Article 9.

Published 10 times a year, The Banking Law Journal "delivers analysis, practical guidance, and commentary ranging from current events to digests of banking law cases."

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European Supervisory Authorities Make Recommendations for the EU Securitisation Market

May 1, 2025



Cadwalader's recent Clients & Friends Memo covers Article 44 of the EU's Securitisation Regulation ("SECR") which requires the Joint Committee of the European Supervisory Authorities ("ESAs") to produce a report every three years on: (a) the implementation of requirements for simple, transparent and standardised securitisations ("STS"); (b) competent authorities' actions on material risks, new vulnerabilities and market participants' efforts to further standardise securitisation documentation; (c) the functioning of due diligence and transparency requirements and whether transparency enables sufficient regulatory oversight; and (d) compliance and "modalities" of the risk retention requirement.

Read more [here](#).