VIB Verband Internationaler Banken

PERSPECTIVES 2026

VIB Verband Internationaler Banken

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CONTENT

Welcome by the Chairman of the Board, Tobias Vogel 4

Greetings from Lars Klingbeil,
Federal Minister of Finance, Vice Chancellor, Member of the German Bundestag 6

VIB as a Platform for International Banks 8

The Association's Summer Party in Times of Change 10

Review and Outlook Part I 12

Bureaucracy Wind-Down: Resistance, but also First Successes and Progress! 14

Market Access into the EU for Third-Country Banks after CRD VI and its Implementation in Germany 16

The Future Supervisory Regime for Third-Country Branches 18

A Year of Major Changes in Consumer Protection 20

How Generative AI is Redefining Internal Investigations 22

Sound Compensation: Remuneration Transparency and BRUBEG 24

New ESG Requirements as a Challenge – and an Opportunity – for Banks 26

Opportunities and Challenges for FinTechs: Developments in Financial Regulatory Law in 2026 28

ESG Risk Management in the Wake of CRD VI Implementation 30

MiCAR and the AI Act: Implementation Focus in 2025 and Regulatory Outlook for 2026 32

Draft MaRisk for Investment Firms 34

VIB Member Institutions 36

Review and Outlook Part II 40

VIB's Tax Division: Future of Tax in Focus 42

Investment Funds: Boosters for the Energy Transition and Corporate Financing 44

On the Concept of Intermediation for VAT Purposes in Connection with M&A Transactions 46

Review and Outlook Part III 48

DORA, Cybersecurity Act and Cyber Resilience Act in interaction 50

FIDA and its Impact on International Banks and Financial Institutions in Germany 52

The EU AML Package: Practical Considerations for Implementation by July 2027 54

Statistics – The Importance and Role of International Banks in Germany 56

VIB Services 63

Seminars and Events 64

Information and Updates 68

Publications 70

Expert Panel 72

Tax Policy Group 78

Office Team 79

Board 80

Imprint 82

Welcome by the Chairman of the Board Tobias Vogel

Tobias Vogel
Chairman of the Board,
Association of International Banks
in Germany (VIB)

Chief Executive Officer,
UBS Europe SE &
Head of Wealth Management Europe
UBS Europe SE

Dear Readers,

It is with great pleasure that I present to you the 2026 yearbook of the Association of International Banks in Germany (VIB). It continues a series that we launched under our former name and which has been very well received by our members as well as by policymakers and public administration.

> *The Perspectives summarise the key events and developments of the past year affecting international banks and financial service providers in Germany.*

In addition, they highlight the opportunities and challenges that await us in 2026 – and beyond – in an increasingly complex environment.

The competitiveness of international banks operating in Germany on the one hand, and the international competitiveness of Germany as a financial centre on the other, continues to shape our Association's agenda. The authors of the contributions brought together in the Perspectives provide valuable and up-to-date insights from regulatory, tax and market infrastructure perspectives.

It is said that “those who lift their eyes see no borders”. Unfortunately, eyes on the German financial and capital markets too often remain lowered. The focus frequently lies on regional interests, and the viewpoint is almost always inward-looking rather than an external perspective. The VIB aims to change this. We want to help foster a stronger external perspective, ensuring that key success factors are not lost out of sight amid the details.

For this reason, the VIB actively participates in the Frankfurt Financial Centre Initiative, which supports the Hessian Financial Centre Cabinet. Its objective is to strengthen Germany as an internationally competitive financial centre, not least in order to convince decision-makers at international banks of Germany’s – and, in many cases, of Frankfurt’s - attractiveness. From their perspective, the decisive factors are those that directly affect their business activities, anchor them to Germany or encourage them to establish operations here in the first place. In particular, these include promoting capital flows within the EU through the strengthening and implementation of the Savings and Investments Union, as well as expanding private, tax-advantaged pension provision in Germany.

Politics, public administration, social cohesion, climate policy and defence all require financing.

For Germany, as the world’s third-largest internationally integrated economy, this can only be achieved with internationally connected banks that are active domestically. Retaining these institutions in Germany and attracting new ones, and deploying their financial strength and expertise in support of our prosperity, economic strength and security, must be an even greater priority for policymakers, regulators and supervisory authorities in 2026. Against this backdrop, the VIB is committed to working with policymakers to develop a strategic roadmap for the financial centre, ensuring that Germany maintains its leading position in Europe and globally.

I wish you an enjoyable and rewarding read and would like to thank my fellow Board members and the VIB team for the work reflected in this yearbook.

Greetings from the Federal Minister of Finance

Lars Klingbeil
Federal Minister of Finance
Vice-Chancellor
Member of the German Bundestag

Dear Readers,

2025 was an intensive year with the federal election, the formation of a new Federal Government, and the launch of the largest public investment package in our country's history, to name just a few examples. The new Federal Government is moving at pace to strengthen Germany and Europe as locations for private investment, innovation and productivity growth. We have initiated the first reforms and will persist, because the international environment is challenging Germany's economic model at its very foundations. International competition has intensified, Russia's war of aggression against Ukraine continues, and trade conflicts are weighing on our economy and holding back growth.

The first developments in 2026 also suggest that the international environment will remain challenging this year. This makes one thing clear: we must focus much more strongly on our own strengths and fully harness our untapped potential. At the same time, there are positive developments that are strengthening Europe's role in the world – the conclusion of the Mercosur trade agreement is just one example.

From day one, the Federal Government's objective has been clear: we want to bring Germany back to a path of growth and economic strength. While international uncertainty is increasing, we are sending a clear signal that Germany and Europe are safe havens for investment from around the world. We want to make Europe more sovereign and strengthen its role as an influential, independent actor on the global stage.

Investment drive for a modern Germany

To achieve this, the Federal Government has already started a number of initiatives. Through our investment campaign, we are committing €500 billion to improving infrastructure. We are investing more than ever before in schools, railways, roads and digital networks, thereby driving forward the modernisation of our country. In addition, we are investing substantially in our security.

However, public investment is only a small part of the modernisation agenda.

Above all, we need a strong private sector that invests in Germany as a business location.

To make this happen, the Federal Government is working to put the right incentives and framework conditions in place.

We have launched the Location Promotion Act and the Germany Fund. With the latter, we aim to leverage private investment totaling around €130 billion. The focus is on the energy sector, key technologies, start-ups and scale-ups, as well as industry and the SME sector. We want the jobs of tomorrow to be created in Germany, the best ideas to grow here, and our dependence on critical raw materials to be reduced. Investors from around the world who show strong interest in Germany will find an effective point of entry through the Fund.

Better framework conditions for a competitive financial centre

A competitive financial sector is indispensable to this agenda. It offers companies a wide range of financing solutions, attracts foreign capital and builds trust.

Germany is one of Europe's leading financial centres. The size of our market, diverse business models and a stable banking sector provide an excellent basis for further strengthening this position. International banks, in particular, not only secure thousands of jobs in Germany. Above all, they act as a vital bridge between foreign investors seeking to enter the German market and German companies maintaining business relationships abroad. Through this channel, we also bring financial innovation from around the world to Germany.

The Federal Ministry of Finance is working to simplify and reduce bureaucracy in the operating framework for banks in Europe – without compromising fundamental standards or financial stability. For example, with the Banking Directive Implementation and Bureaucracy Reduction Act (BRUBEG), we are implementing European requirements on a one-to-one basis, rather than adding further administrative obligations. Excessive requirements that apply only in Germany weaken our financial centre in European competition. It is high time to dismantle unnecessary regulations. In doing so, we are strengthening Germany as a financial centre.

An integrated capital market for a stronger Europe

A strong investment and financial location in Germany is inconceivable without a competitive European Union. To this end, we need a single European capital market.

The Capital Markets Union has been discussed for a long time, and many measures have already been implemented. Nevertheless, numerous obstacles remain.

I am therefore pleased that the European Commission is now pursuing the objective of a Savings and Investments Union with high political priority.

I explicitly support this and am actively driving it forward. For the Federal Government, three areas are of particular importance: improved financing conditions for young, high-growth companies, strengthening private pension provision via the capital markets, and reducing bureaucracy in financial market regulation.

Looking to the future with confidence

Germany is the world's third-largest economy. We are a highly respected and reliable trading partner. We are a country with enormous innovative capacity and a highly skilled workforce. This immense potential enables us to shape the future with confidence.

We can meet the challenges ahead of us. We can change things for the better. In 2026, we should already begin to feel the positive economic impact of our economic and financial policies, particularly our investments. However, the progress achieved so far is no reason for complacency. We will continue to move forward at pace for secure jobs, for a fair society and for a sustainable welfare state fit for the future. We are setting the necessary fundamental reforms in motion. They will demand a great deal from our country. Nevertheless, I am confident that, together, we will move Germany forward once again.

VIB as a Platform for International Banks

Dr Andreas Prechtel
Managing Director

Association of International Banks in Germany (VIB)

After more than 40 years, the "Association of Foreign Banks in Germany" was renamed the "Association of International Banks in Germany" in June 2025. The new name reflects the fact that many of our members are now German institutions. They differ only in that they are wholly or majority-owned by internationally active banking groups, or they operate as EU or third-country branches. These institutions are distinguished not by their foreign origin, but by their integration into some of the world's most powerful financial groups, bringing profound international expertise in their respective business areas and substantial capital strength.

Their importance is still frequently underestimated in the public and political perception. While only a few large names are widely recognised, the true scale and often the complex structures of many of these banks remain largely unknown – even among companies that benefit from their specialised services.

These institutions have made a deliberate decision to establish a bank or branch in Germany in order to support their clients' local and global business activities from or within Germany. They originate from more than 30 countries and are represented at Germany's key financial centres, including Frankfurt/Main, Düsseldorf, Hamburg and Munich. With more than 30,000 highly qualified employees – often German professionals with international experience – they make a significant contribution to Germany's economic strength.

They are the group of banks that continues to create jobs rather than reduce them. They pay taxes and levies, have been firmly established in Germany for decades, and make a particular contribution to the financial centre of Frankfurt, which is not only the largest but also the most international financial hub in the country.

As an integral part of the German economy, VIB member banks now dominate many segments of the German financial market, as also demonstrated by the statistics presented in this yearbook.

Only with the financial strength and expertise of international banks and financial institutions will the German economy be able to achieve a turnaround, and market participants be able to raise the capital required for public and private investments, the future returns of which are intended to finance and repay the debt burden currently being built up.

Broadly diversified fields of activity

VIB members are market leaders in particular in the following areas:

- Trade finance and factoring,
- Project finance for German companies abroad or foreign companies in Germany,
- Mergers & Acquisitions,
- Direct banking and mortgage business,
- Securities issuance and trading,
- Asset management, and
- Securities clearing, settlement and custody.

As a committed representative of the interests of international banks, the VIB develops and presents constructive positions and proposals to policymakers and public authorities aimed at fair and future-oriented regulatory frameworks.

In 2025, the VIB initiated a wide range of concrete changes, particularly through its proposal packages on reducing bureaucracy in banking regulation and through its tax policy proposals.

Thanks to our communication with ministries and authorities and our cooperation with stakeholders supporting the financial centre, the VIB makes a substantial contribution to the further development and preservation of the competitiveness of Germany as a financial hub, including through its participation

in the working groups of the Hessian Financial Centre Cabinet. Further details can be found in the subsequent articles of this yearbook.

Tailor-made services and strong representation of interests

The VIB offers its members a range of services and networking opportunities tailored to the needs of international banks. These include:

- Seminars featuring top-class experts from member institutions, regulators, supervisory authorities and advisory firms,
- Working groups on current topics, specifically addressing employees of member institutions,
- Individual in-house training sessions and webinars,
- Bilingual, up-to-date daily briefings as well as monthly newsletters with practical information on legal, tax and organisational developments, and
- Publications on key topics such as compliance, taxation and regulatory reporting.

In addition, networking events such as the VIB Summer Reception, management forums organised as after-work events, and the annual general meeting provide valuable opportunities for professional exchange.

A strong team at your side

The VIB team supports member institutions, their senior management and employees, as well as political and regulatory stakeholders, as a competent and experienced partner. With direct communication channels and in-depth expertise, the VIB ensures effective advice and representation of interests, giving international banks in Germany a strong and credible voice.

The Association's Summer Party in Times of Change

The Association's summer party at the "Frankfurter Botschaft" at Westhafen took place again in 2025 immediately after the summer holidays in Hesse and has become a new tradition and an attractive addition to the event calendar of the financial scene in Frankfurt.

It is a special event at which the members of the Association meet with representatives from federal and state politics, the city of Frankfurt/Main, and the supervisory authorities. Lawyers, tax advisors, auditors, and management consultants who have often supported the VIB and its members for many years and who are even more closely associated with the Association as VIB Experts are also part of the "VIB family," which was once again able to spend this evening together.

Official presentation of the Association's new name

In his welcoming speech, Tobias Vogel, the Association's Chairman and CEO of UBS Europe SE, presented to the guests the transition from the Association of Foreign Banks (VAB) to the Asscociation of International Banks (VIB) decided upon by the members. He explained that the new name, which is reflected in a modernized logo, better represents both the internationality of the members and their employees as well as the global resources behind them.

Tobias Vogel focused on three current core issues for VIB. He began by calling for the 1:1 implementation of the EU's CRD VI Directive into German law, which particularly affects VIB members from non-EU countries, i.e., so-called third-country banks.

The VIB Team

The manner in which this demand has since been implementd is a key factor for their future regulatory burden and thus also for the decision on whether the entities will remain in Germany.

He also drew attention to the 59 specific proposals for reducing bureaucracy in banking regulation and for taxing banking products and services, which the VIB submitted to

politicians before the summer break. VIB is taking the initiative and calling on politicians and administrators to act swiftly and jointly to finally give institutions the breathing space they need to fulfill their actual purpose, namely to conduct banking business, within the constraints of banking regulation.

Tobias Vogel then pointed out the urgent need for federal policy to set the course for a capital market orientation of all three pillars of pension provision.

The models for this have long been known, discussed, and already tested in other countries. International banks and asset managers in particular have decades of experience in this area, which they would like to bring to bear in the German context. This could not only increase the retirement income of tomorrow's pensioners, but also have positive effects on the breadth and depth of the German and European capital markets, thereby providing decisive impetus in the areas of innovation, start-ups, IPOs, and bond markets.


Nancy Faeser Tobias Vogel

Welcome and keynote speech by Nancy Faeser

It was particularly pleasant for the guests in attendance that the former Federal Minister of the Interior, member of the Bundestag, and long-standing chairwoman of the SPD in Hesse, Nancy Faeser, took part in the VIB summer party and welcomed the guests. She emphasized the global and national challenges currently facing federal politics and the tensions surrounding economic policy. She explained that the need to finance the planned immense infrastructure and defense expenditures with additional private funds, as well as the dependence of dept repayment on a positively developing economy, which is to be stimulated by these investments, urgently requires the release of economic power from companies in all branches of industry.

She outlined, that this can only succeed if banks, as companies and as lenders and facilitators of capital measures, are able to operate within the right framework conditions. The reduction of bureaucracy in banking regulation and the VIB's tax proposals would be a good starting point for discussion and the political process. The coalition parties in Berlin are aware of the urgency of focusing on this issue. The work of associations such as the VIB is needed to arrive at practicable legal solutions that can be implemented quickly by both the institutions and the supervisory authorities.


Florian Rentsch Tobias Vogel

Welcome and second keynote speech by Florian Rentsch

Florian Rentsch, the newly appointed Special Representative for the Frankfurt Financial Center and Chairman of the Board of the Association of Sparda Banks, former Minister of State in the Hessian Ministry of Economics, then welcomed the guests with insights into the background and work of the Hessian Prime Minister Boris Rhein's financial center initiative, known as the "Hessian Financial Center Cabinet." He explained that his new role as Special Representative for the Frankfurt Financial Center consists of bringing together the many institutions, state and local politicians, administrations, academics, and business associations to work in various working groups to develop the ideas and measures necessary to address the issues already mentioned by the previous speakers.

The aim is to strengthen Frankfurt's position as an international financial center in Europe and the world

so that the financial industry in Germany can ultimately play the role and offer the services needed for Germany's further development. Through the cooperation of almost 60 institutions, organisations and companies, it has already been possible to commit the key players based in the city and the Frankfurt area to this goal and the work involved for the first time, and the VIB has made a major contribution to this with its efforts.

Networking against the sunset backdrop of the Main River

After these thought-provoking speeches, guests moved on to networking and conversation against the backdrop of the Main River in the evening sun. The family-like, yet professional, atmosphere of the VIB summer party allowed many guests to forge new connections late into the evening and provided space for stimulating conversations about common challenges and future tasks for the VIB.

REVIEW AND OUTLOOK PART I

Bureaucracy Wind-Down: Resistance, but also First Successes and Progress!

Market Access into the EU by Third-Country Banks after CRD VI and its Implementation in Germany

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Bureaucracy Wind-Down: Resistance, but also First Successes and Progress!

Wolfgang Vahldiek
Deputy Managing Director
Director and Head of Legal Affairs
Head of Business Development

Association of International Banks
in Germany (VIB)

Last year, we discussed VIB's goal of working to reduce bureaucracy. Over the past twelve months, and – as will be described shortly – perhaps not entirely without our constructive contribution, the issue has gained momentum that was difficult to predict.

Societal consensus on reducing bureaucracy

By now, there should be a societal consensus that things cannot continue as they are. Extreme bureaucracy, in the form of numerous small measures imposed by a detail-oriented state, has the potential to fundamentally put society to the test.

The effects of German and European policy in recent years can no longer be ignored. Unfortunately, the regulatory tsunami of 2010 to 2024 and its practical consequences have led to serious effects which have now been sufficiently identified and analysed by economic research, central banks, and also government-related organisations such as in the Draghi Report.

The experts agree with the perception of the interested public, that mistakes should not be repeated, and to achieve this, it helps to look at the cause.

Unfortunately, for many years, political decision-makers allowed themselves to be persuaded by appealing-sounding descriptions of objectives to allow the jungle of regulations to proliferate. Bureaucracy was often built up with the aid of impressive feel-good rhetoric. Who can disagree when legislation is linked to positive values? Branding helps to organise majorities, but unfortunately, it also obscures a sober view of the real effects. Examples are shown below.

Resistance and further bureaucratic build-up

If those responsible for the bureaucratic build-up of the past 15 years want to learn something, then the following insight would be an important step: the plausibility of target descriptions does not justify every individual measure, no matter how well-intentioned. It is not the task of the state and its executive branch to analyse, regulate and control every detail of daily life. People must be given more personal responsibility; ultimately, this means freedom. This requires a genuine change in mindset.

However, those involved in politics are finding it difficult to change their thinking.

Objectives and, above all, slogans are still being formulated to justify new waves of regulation.

The most important current drivers of bureaucracy in the financial sector, which will continue to motivate regulatory activity in the coming years if decision-makers do not learn from experience, are referred to in current EU jargon as 'customer journey', 'value for money', 'equal pay', 'instant payments', naturally the evergreen 'ESG', and the list could be extended by several more. The branding entails the risk of overlooking questionable details and unreasonable demands hidden in regulations that run to hundreds of pages. On the other hand, however, it is essential to ask the question: what exactly is the role of the state in these areas, and do people really need to be regulated and monitored by supervisory administrative powers because they cannot cope on their own?

Successes of German financial policy

But enough about the problem. There is now more than just light at the end of the tunnel; to stay with the metaphor, the train is already finding its way into the open air and is no longer stoppable. The above diagnosis has been followed by the start of a therapy in the form of bureaucracy reduction, particularly in the financial sector. German politicians and supervisory authorities deserve praise for this, as they have taken the first steps and are promoting serious approaches and solutions, both locally in Germany and at EU level.

Is that too optimistic? I don't think so, and I would back that up with the following examples of progress already made:

- BaFin and Bundesbank have made proposals for a significant simplification of regulations for smaller institutions – also known as a Small Banking Box in industry jargon – and

have already implemented some of these proposals.

- The register for investment advisers and investor complaints was abolished, because it does not provide any additional benefit beyond the existing supervisory powers.
- The reporting of credits of 1 mln euro or more will be abolished because it seems dispensable.
- The documentation requirements under Sections 15 and 18 of the German Banking Act for credit documents and institutional credit will be significantly reduced by raising the relevant thresholds.
- Branches of institutions from third countries will be entrusted to supervision and regulation of their home countries in many respects while the enforcement of German regulations is partially waived in return.
- The supervisory authorities are on a credible path to identifying and implementing further potential for simplification in the area of laws and administrative regulations.

The list could go on. Our Association has compiled extensive proposals for further individual measures and we feel that we are taken seriously and valued as a point of contact. There is therefore good reason for optimism, especially as the above list is only a selection of a series of measures that are still in preparation and will benefit all players in the financial system – not only banks and investment firms, but also customers and investors.

What about the EU level?

Attentive readers will notice that the EU does not yet feature in the above list of successes. This is because successes at EU level have so far been limited, mainly to the fact that only a negotiable core remains of the sometimes excessive proposals developed by the EU supervisory authorities together with the European Commission for the Savings and Investments Union (SIU) and the Retail Investment Strategy (RIS). Although avoidance of mistakes is already a step forward, the move towards actively reducing bureaucracy in the EU must still follow for the financial sector.

An anecdote relating to securities regulation that sticks in the mind is a recent comment made by a prominent source, that 40% of MiFID could be scrapped overnight and no market participant would notice. I would say without hesitation that this is also true for CRD and CRR. It will probably be a long time before such way of thinking about aim and purpose of existing regulations at EU level becomes mainstream. ESMA and EBA in particular are probably still in the process of seriously recognising the need for this.

Triggered by the previous European Parliament, CRD VI, which in large parts – again! – deliberately increases bureaucracy, must also first be implemented.

Above all, it creates new reporting, documentation and notification procedures in the areas of cross-border services, acquisition control, key function holders and ESG.

Conclusion and outlook

But as I said, the start has been made. Our Association will continue to support further developments in a constructive manner. We see it as our task to clearly identify the actual effects of planned measures and to highlight any possible undesirable side effects. And not just in our own interests. We firmly believe that our tireless commitment to pragmatic and practical solutions makes an active contribution to maintaining a customer-friendly and stable financial system that can support and finance economic development.

Market Access into the EU by Third-Country Banks after CRD VI and its Implementation in Germany

Dr Alexander Behrens
VIB Expert Panel
Banking Supervision and Governance

Partner
Allen Overy Shearman Sterling LLP

While the EU has over the last decades established a more and more granular regime for bank regulation, traditionally, this regime did not cover whether and under which conditions banks from third countries may access the EU markets. This changed with the entering into force of CRD VI in July 2024 which, amongst others, provides for a minimum harmonization as regards EU market access from third countries by way of cross-border provision of services and via branches. In essence, Art. 21c CRD VI establishes that EU Member States need to ensure that certain core banking services, i.e. deposit taking, lending and guarantee business, may only be provided if third-country banks set up a branch in the relevant Member State. The mere cross-border provision of such core banking services is essentially only allowed where an exemption to the branch requirement applies, in particular: the intra-group exemption, inter-bank exemption, reverse solicitation or if an institution may rely on the limited grandfathering regime. At the same time, Art. 47 et seq. CRD VI establish a specific minimum regime for such local branches of third-country institutions.

Implementation by BRUBEG

On 22 August 2025, the German Federal Ministry of Finance (Bundesministerium der Finanzen) published the draft bill (Referentenentwurf) for the Banking Directive Implementation and Bureaucracy Relief Act (Bankenrichtlinienumsetzungs- und Büroktratieentlastungsgesetz – BRUBEG), implementing, in particular, CRD VI. The BRUBEG has in the meantime partly gone through the parliamentary process; it is expected that the BRUBEG will be published in March 2026 (i.e. after the official implementation date of 10 January 2026).

As regards the substance of the BRUBEG, it makes sense to differentiate between the cross-border provision of services and the third-country regime, starting always with the current "pre-BRUBEG" German regime.

Amendments to cross-border services are generally limited to the "waiver regime" (Freistellungsregime).

As regards the cross-border provision of services, under current German law, a license is required for anyone providing regulated activities (this term includes the core banking services within the meaning of CRD VI) "in Germany". Providers not being based in Germany but providing regulated activities to clients based in Germany are also considered as providing banking services "in Germany" if they are seen as "actively targeting the German market", which means that they do not act on a reverse solicitation basis. In other words: the current German regime already subjects providers of banking services based in third countries and intending to actively target the German market to a licensing requirement. Therefore, there was – in principle (see exemption below) – no need for any "structural amendments" of the German Banking Act (Kreditwesengesetz – KWG) in order to align it with CRD VI. Consequently, the BRUBEG does generally not amend the existing rules on licensable activities. As a further consequence thereof, there is very limited room for a grandfathering regime.

There is one relevant exemption to the previous statement that the German Banking Act required no structural amendments: Currently, Section 2(5) KWG provides that the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) may, on a case-by-case basis, waive (freistellen) third-country institutions with, broadly speaking, an equivalent regulatory home state regime from the licensing requirement in Germany. Such current form of a waiver would not be in line with Article 21c(1) CRD VI. Therefore, the BRUBEG draft suggests changes to BaFin's ability to grant such waivers and to the waivers that have already been granted by BaFin under Section 2(5) KWG: BaFin must (partly) revoke existing waivers insofar as CRD VI requires the establishment of a domestic branch (cf. Section 2(5) sent. 2 of the new KWG-draft). Similarly, new waivers may only be granted under such caveats.

The BRUBEG leaves a number of interpretation issues open which will likely be discussed in the future: BaFin has over the last years developed its own administrative practice for the interpretation of terms of the German Banking Act. It seems

likely that BaFin will initially continue applying such administrative practice even where terms fall "into the scope of application" of Art. 21c CRD VI, e.g. as regards lending and deposit taking business, but also as regards reverse solicitation; at the same time, one would expect that BaFin will change its approach when and to the extent specific EBA guidance is issued – which in turn will raise the question whether such interpretation will also "overrule" BaFin's administration practice in areas of law not falling "into the scope of application" of Art. 21c CRD VI or whether there will be a "split interpretation" by BaFin depending on the EU law origin of a rule. Another topic for discussion will be how exemptions provided under Art. 21c CRD VI which are not 1:1 mirrored in German law, like the intra-group exemption and the inter-bank exemption, will be dealt with, given that the official reasoning of the BRUBEG explicitly states that German law aims for a 1:1 implementation.

Rules for third-country branches

Amendments to third-country branches are mainly relevant for "privileged jurisdictions". The current German Banking Act in principle follows a quite strict regime as regards third-country branches as it, with some exemptions, requires application of the regime applicable to subsidiaries (i. e. full CRR and KWG application). Such branches to which CRR and KWG are fully applied today will enjoy less strict requirements in the future.

That said, the German Banking Act, in combination with implementing rules, provides for significant exemptions for institutions from certain privileged third countries, namely, US, Japan and Australia. Such current "privileged regime" does not meet the minimum standards foreseen by Art. 47 et seq. CRD VI. Therefore, the BRUBEG amends the current regime to the extent branches provide core banking services, aligning it very much with the requirements foreseen by CRD VI. As a consequence, privileged third-country branches will need to go through a re-authorisation process and will in the future need to meet stricter requirements.

> *It should be stressed that now and in the future third-country branches may only provide services in the Member State where they have been established, i.e. they may not "passport" their license.*

This is probably a key reason why there will only be a very limited number of new third-country branches within the entire EU.

Practical relevance

The practical ramifications of the BRUBEG for third-country banks will depend on their business model: In the context of cross-border provision of services, the legal situation should not change significantly – other than for groups which currently significantly rely on the waiver and, therefore, will need to restructure their business. In contrast, third-country branches currently relying on a privileged treatment will need to go through a re-authorisation process and will, in essence, be subject to stricter requirements.

When considering the relevance of CRD VI "in Germany", one additional aspect should not be underestimated: While the immediate effects for the operation of third-country institutions with German clients should be rather limited, in some other jurisdictions CRD VI is, depending on its implementation, likely to have a more significant effect, namely in jurisdictions which so far had a more liberal third-country access regime. Such jurisdictions will have to tighten their rules, and third-country groups will therefore be required to transfer certain (additional) business lines to their "EU hubs". As some of these hubs are in Germany, it is likely that CRD VI will result in a (further) increase of the balance sheet also of Germany based "EU hubs" of third-country banks.

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The Future Supervisory Regime for Third-Country Branches

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Although deregulation – or at least the emphasis on proportionality in financial regulation – has recently been one of the topics propagated in political discourse and by the German supervisory authorities, further amendments to the German Banking Act (Kreditwesengesetz) are imminent which will result in different requirements. These will affect in particular institutions from third countries conducting banking business on a cross-border basis or through a German branch in Germany. These new requirements are contained in the draft of the German Banking Directive Implementation and Bureaucracy Relief Act (Bankenrichtlinienumsetzungs- und Bürokratieentlastungsgesetz) ("BRUBEG"), which is still in the legislative process and might to be adopted early in 2026. This is a matter of urgency as the BRUBEG is supposed to implement the provisions of Directive (EU) 2024/1619 ("CRD VI") by 10 January 2026.

CRD VI is intended to redefine and harmonise the current fragmented supervisory regime governing the provision of core banking services from third countries within EU Member States, including the requirements for third-country branches in the EU. The experience of Brexit and the resulting reorganisation of the market presence of international banking groups have highlighted, from the legislator's perspective, the need for a consistent set of rules across the EU. The key aim of the new regulations is the risk-appropriate, standardised supervision of dependent branches from third countries.

Independent licensing regime for CRD third-country branches

The implementation of the CRD VI rules on third-country branches by BRUBEG will lead to two significant changes to the current German Banking Act (KWG). Firstly, the option for institutions from third countries to obtain an exemption, in particular from the license requirement pursuant to Section 2(4) and (5) KWG for the provision of certain core banking services will be excluded. Secondly, and closely related to this, a separate licensing regime will be introduced for so-called CRD third-country branches, which will significantly modify the existing legal framework for branches from institutions registered in third countries. In this respect, it should be borne in mind that branches of companies from third countries conducting business in Germany that generally requires a licence are already treated as institutions under Section 53 KWG and are therefore also subject to the licensing requirement (in contrast to branches of institutions from EEA states, which benefit from the EU passport). Although Section 53 KWG will not be abolished by the BRUBEG, a range of new provisions will be added (Sections 53c to 53cq of the Draft KWG) that apply specifically to CRD third-country branches.

CRD third-country branch – concept and distinctions

What does "CRD third-country branch" mean exactly? CRD third-country branches are defined as branches that either provide deposit-taking business themselves or belong to an undertaking that would be a CRR credit institution if it were located in the EU, provided that it in the latter case, the branch provides the lending or guarantee business (Section 53c(1) of the Draft KWG). There is yet a significant exception to this general definition for branches only providing investment services or ancillary services such as the related acceptance of deposits or the granting of loans for the purpose of providing investment services.

> *However, CRD third-country branches are not treated as a uniform category to which exactly the same set of regulatory requirements apply.*

Instead, they will be subject to a risk-sensitive supervisory regime that distinguishes between two risk classes (Section 53ca Draft KWG). A CRD third-country branch belongs to risk class 1 in particular if the total value of the assets booked or originated by it in Germany amounts to at least €5 billion, if it conducts deposit taking business with retail clients to a sig-nificant extent (5% of its total liabilities or more than €50 million) or if it is not a so-called „qualified CRD third-country branch". To be regarded as a qualified CRD third-country branch, the branch must, in simple terms, be subject to financial prudential rules comparable to EU standards under the law of its home country and the home country must not be

classified as a third country with a high risk of money laundering and terrorist financing. The EBA will maintain a public register of those home countries allowing the classification as a qualified CRD third-country branch.

Impact of the distinctions on regulatory requirements

In line with the risk-sensitive approach, each of the different risk categories is subject to graduated requirements for capitalisation, liquidity, corporate governance and risk management (Sections 53ce to 53cg KWG). In addition, BaFin will be able to exempt qualifying CRD third-country branches from liquidity management requirements or certain reporting requirements (Section 53cf(4) and Section 53cl(3) Draft KWG). The authorisation for a CRD third-country branch will only be granted if the branch meets the minimum regulatory requirements applicable to the branch (Section 53cc et seqq. Draft KWG). Against this background, especially existing branches from third countries within the meaning of Section 53 KWG will need to examine in detail which additional requirements they will have to meet in future. These differ from the current rules – and in some cases also go beyond the minimum requirements for CRD third-country branches contained in CRD VI.

Authorisation as a CRD third-country branch will generally only apply to activities within Germany.

This means that the CRD third-country branch will be prohibited from providing services requiring a licence for customers in other countries (which is similar to the current legal situation for branches from third countries under Section 53 KWG). However, intra-group financing transactions with other CRD third-country branches of the same undertaking and services supplied exclusively at the request of a customer will be privileged in this respect (Section 53cc(5), second sentence Draft KWG). Nevertheless, neither the CRD VI nor the BRUBEG defines the circumstances suggesting an exclusive request by a customer.

In line with the risk-sensitive approach when dealing with CRD third-country branches, BaFin will have the right to require the establishment of a subsidiary with a conventional licence according to Section 32 KWG if a CRD third-country branch reaches certain business volumes either alone (assets of at least €10 billion) or together with other CRD third-country branches within the EU (assets of at least €40 billion), if it operates in other EU Member States or otherwise becomes systemically relevant (Section 53ci Draft KWG).

Transitional period and possible continued validity of existing licences

Companies affected by the new rules for CRD third-country branches will be given time to adjust to the new licensing requirements during a transitional period until 11 January 2027 (Section 64c(6) Draft KWG). However, this transitional period does not apply to the reporting requirements to which CRD third-country branches will be subject in future. For branches from third countries already holding a KWG-licence before the new regime comes into force, BaFin may decide that these licences will still be valid provided that the branches concerned meet the new substantive requirements (Section 53cc(7) Draft KWG).

Conclusion

Although the name “German Banking Directive Implementation and Bureaucracy Relief Act” might suggest otherwise, the new supervisory regime will impose implementation burdens on German branches of institutions domiciled in third countries. Admittedly, this is due to the basically welcome objective at EU level of creating harmonized conditions for the supervision of CRD third-country branches across the Member States and thus a level playing field. Whether the BRUBEG will fully achieve this in Germany remains to be seen in view of certain requirements that the KWG will stipulate for CRD third-country branches and which cannot be derived directly from CRD VI.

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A Year of Major Changes in Consumer Protection

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The year 2025 marks a turning point for the credit industry: never before have financial institutions been so strongly at the center of a fundamental consumer protection regulatory process. The new EU Consumer Credit Directive and the amended EU Consumer Rights Directive have significantly shifted the regulatory foundation of the European credit market. Their implementation into German law requires financial institutions not only to adapt established processes, but to fundamentally redesign many business models. The reform agenda aims at a more consumer-friendly, digitalized credit landscape. For the banking sector, this entails substantial operational, technical, and strategic challenges.

Expanded scope of application and new information obligations

One of the core elements of the EU Consumer Credit Directive is the significant expansion of its scope of application: credit products that previously often fell outside traditional consumer credit regulation are now explicitly included. These include micro-loans of up to 200 euros, fee-free or interest-free financing, very short-term loans (with a term of less than three months), as well as modern Buy Now, Pay Later (BNPL) models. The latter in particular have experienced rapid growth in online shops, among online retailers, and on platforms in recent years. At the same time, consumers have increasingly ceased to perceive such payment options as "traditional loans" – a development to which the legislator is now responding with a clear consumer protection framework.

This expansion is accompanied by a substantial increase in information obligations: before concluding a contract, lenders will in future be required to provide even more comprehensive and transparent information on all essential contractual components, costs, risks, and the right of withdrawal.

In practice, this means that financial institutions must revise all communication channels – whether digital via websites or apps, as well as in branches and advisory meetings.

> *At the same time, the customer journey, particularly online, must be designed in such a way that all relevant information is clearly structured, easy to find, and comparable.*

At first glance, these information obligations primarily represent additional regulatory effort. However, credit institutions that already have particularly transparent and well-designed digital processes may stand out positively. Thoughtful information design can strengthen customer trust and lead to better decision-making, which in the long term is also likely to improve repayment quality.

Stricter creditworthiness assessment and modernized contract form

Another central pillar of the directive is the significantly stricter creditworthiness assessment. While simplified or automated models were often used in the past, particularly for small loans or BNPL offers, the new regulation requires a well-founded risk analysis. Lenders must demonstrate that their scoring models, decision-making structures, and data sources are robust and up to date, enabling reliable assessments of borrowers' ability to repay. The requirements are increasingly aligned with those applicable to mortgage lending law, which places considerable pressure to adapt on institutions that have so far relied on lean assessment processes.

At the same time, the directive introduces an important modernization of the contractual form:

> *For general consumer loan agreements, text form will be sufficient in the future. This means that a contract can be concluded via email, click, online confirmation, or a digital interface.*

The previously required written form, often perceived as an obstacle, will no longer apply. This change allows credit institutions to establish fully digitalized processes and significantly accelerates contract conclusions.

New right of withdrawal and electronic withdrawal button

One of the most notable provisions of the amended EU Consumer Rights Directive concerns the right of withdrawal for general consumer loan agreements. Previously, under certain circumstances, so-called "perpetual right of withdrawal" was possible if the company had not fully complied with its information obligations prior to contract conclusion. This often exposed banks to considerable uncertainty and high potential costs and led to disproportionate outcomes, particularly when the information error was of a minor nature.

Under the new regulation, the right of withdrawal for consumer contracts relating to financial services is now limited to a maximum of 12 months and 14 days from the conclusion of the contract, provided that the borrower has been informed of this right of withdrawal. This establishes an appropriate balance: consumer protection remains ensured, while the long-term risk for institutions is reduced.

In addition, the directive introduces a digital and consumer-friendly innovation: the electronic withdrawal button.

For consumer contracts concluded online, a clearly visible and unambiguously labeled button ("Withdraw contract" or similar) must be provided, allowing withdrawal to be exercised with a single click. This mechanism is intended to make withdrawal as easy as concluding the contract itself.

For credit institutions, this entails significant challenges. Their IT systems must technically implement the button and ensure that all underlying processes are documented in a legally compliant manner. At the same time, compliance and documentation processes must be adapted accordingly and reliably ensured.

Conclusion

The new EU Consumer Credit Directive and the amended EU Consumer Rights Directive, as well as their implementation into German law, represent a paradigm shift. The inclusion of previously exempt credit products, the modern text form, stricter assessment obligations, and the digital withdrawal button are milestones on the path toward a more consumer-friendly and digital financial world. For the credit industry, this initially results in substantial implementation efforts – structurally, technically, and regulatorily.

The VIB is fully aware of the significance of these changes and actively supports its members. We will establish working groups in which we will jointly develop practical solutions together with representatives from our member institutions. In addition, we are planning further events, seminars, and roundtables to promote the exchange of experience and address regulatory uncertainties.

How Generative AI is Redefining Internal Investigations

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The year 2025 was undeniably dominated by artificial intelligence (AI). Starting with ChatGPT, the focus was on generative AI (GenAI), which is capable of independently generating completely new content based on learned patterns. GenAI is currently being experimented with in almost all areas of life – including, of course, internal investigations.

For years, internal investigations have faced a two-fold challenge: while the amount of data to be analysed explodes and the issues to be investigated become increasingly complex, public prosecutors, courts, regulators and auditors continue to expect swift, comprehensive, accurate and comprehensible results.

> *Even before ChatGPT came along, attempts were being made to use technology to cope with the flood of data here.*

However, these solutions have already reached their limits, especially when it comes to understanding complex communication structures and recognising hidden contexts, which are essential for internal investigations.

This is where a subgroup of GenAI comes in: large language models (LLMs). These are complex algorithms that have been trained using enormous amounts of text data. They can not only predict human language statistically, but also grasp nuances, contexts and semantic relationships. Consequently, the integration of LLMs into internal investigation processes holds revolutionary promise for the future, while also raising completely new questions and challenges.

Previous technological approaches

Technology-assisted investigations are nothing new. Forensics specialists and legal experts have been using tech tools to filter relevant information for years. Classic approaches include semantic searches (searching for contextual meaning rather than just keywords) and conventional AI-based methods, such as clustering (automatic grouping of similar documents) and technology-assisted review (TAR) using predictive coding (automatic classification of documents based on pattern recognition).

Limitations of previous approaches

Previous approaches could not fully cope with the complexity of human language and the ever-increasing diversity of documents, thus requiring a great deal of manual effort. At the same time, they frequently produce false positives, i.e. documents that are incorrectly assessed as relevant, and are only scalable to a limited extent as data volumes and complexity increase. Ultimately, these methods lack an understanding of language and context. As a result, traditional tools fail when it comes to sarcasm, specific industry jargon, or obfuscating language, for example.

The promise of LLMs

In contrast, LLMs are not only intended to speed up repetitive tasks, but also to (better) grasp complex contextual relationships, thereby creating a sound basis for decision-making. At the same time, these models are now also becoming increasingly adept at processing images, audio and video files. This means that LLMs could be the answer to the previous problems and failures stated above.

What is already possible today?

The integration of LLMs into existing investigation processes is still in its infancy. So far, the following use cases for LLMs have become particularly well established:

- **Translations:** Translations of large, multilingual document volumes enable a quick insight into the relevant content.
- **Early case assessment:** Based on rapid pattern and context recognition in large amounts of data, LLMs make it possible to quickly obtain an initial (rough) thematic overview. At the same time, they assist in the creation of initial chronologies of events.
- **Content extraction:** Relevant content, entities, or chains of events can be reliably extracted and concisely summarised.

- **Quality control:** Following on from classic document review, LLMs can automatically check the consistency of human review decisions and detect deviations at an early stage.

Where can LLMs create additional value in the future?

The use cases summarised above illustrate that the actual use of LLMs in internal investigations has been limited to specific individual tasks so far.

> *At the same time, integration into existing review platforms and thus increasingly automated risk analysis is progressing rapidly.*

The current trend is towards carrying out the initial review of the database in the short and medium term in a largely technology-driven manner – i.e. based on LLM-supported tools that are specially trained for investigative legal use cases and context-sensitive tasks. In this way, LLMs could contribute to a significant acceleration and simplification of the initial review of large, complex data sets.

Challenges

Despite all the euphoria, considerable challenges remain. The use of LLMs is not a sure-fire success, but requires careful governance that needs to deal with some entirely new issues:

- **Explainability:** How can we explain the results of a "black box" to prosecutors, courts, regulators and auditors? The current solution is technical in nature: using a "citation-based approach", every factual claim must be substantiated by a reference to the original source.

- **Legal barriers:** How can the use of LLMs be reconciled with data protection, banking secrecy, lawyers' duties of confidentiality, and the EU AI Act, given that all of these areas impose clear legal limits and entail extensive compliance obligations?

- **Technological risks:** How can "hallucinations" and biases, i.e. the prejudices of LLMs, be avoided or at least detected at an early stage and mitigated? The issue of "data quality" is becoming increasingly important in this respect.

- **Data availability & infrastructure:** How can the often underestimated hurdle of "data silos" be overcome? Data protection and banking secrecy often prevent the centralisation of data. "Bring the model to the data", and not "bring the data to the model", is becoming the new paradigm of IT infrastructure.

- **Organisation & liability:** How much human involvement is still necessary? The clear answer: "AI won't replace humans – but humans with AI will replace humans without AI." Human oversight is the primary line of defence when it comes to liability. The final decision must remain in human hands.

Outlook for 2026

Despite these challenges and some unresolved issues, it can already be concluded today that LLMs are establishing themselves as a fundamental tool for areas such as (multilingual) translation, early case assessment, and quality control by 2025. As they mature, they will continue to take over more and more aspects of traditional document review in 2026.

However, it is also clear that human expertise remains irreplaceable, especially in the highly sensitive environment of internal investigations. Responsibility for the end-to-end process, the final (legal) assessment, and audit-proof documentation cannot and must not be delegated to a machine.

Anyone intending to conduct internal investigations efficiently and successfully in 2026 must not view LLMs as merely an optional tool. It is important to understand this technology as a strategic advantage of modern legal defence, while at the same time setting the right legal, ethical, and regulatory guidelines here.

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Sound Compensation: Remuneration Transparency and BRUBEG

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The sound compensation carousel brought further impacts to the remuneration systems and remuneration governance of institutions in 2025 and will continue to turn in the 2026 calendar year. The focus is currently on the legislative process for the implementation of the Pay Transparency Directive (Directive 2023/970/EU, EUPTD) and CRD VI (Directive 2024/1619/EU) into German law, which is expected to be completed in the first half of 2026.

Pay transparency: Extended right to information and extended reporting obligations

The extended requirements of the EUPTD regarding the right of job applicants and employees to information on remuneration and the employer's reporting obligations on the gender pay gap will be largely implemented in the Remuneration Transparency Act (Entgelttransparenzgesetz, EntgTG 2.0). A first draft of the EntgTG 2.0 is expected in the first quarter of 2026.

It will take into account many of the proposals made by the commission appointed by the legislator for this purpose (for the low-bureaucracy implementation of the EUPTD) in its final report of 24 October 2025.

Key questions regarding the information right on remuneration

The following key questions arise for remuneration practices regarding the implementation of the extended EUPTD requirements on the right to remuneration information in remuneration systems:

- **Comparable groups:** The commission recommends a comprehensible explanation of the formation of comparable groups in the response to the right to information in order to minimise queries from job applicants/employees. Institutions must already take this into account when validating and defining comparable groups (based on the criteria of the same or equivalent job) and when conducting pay gap analyses. Many institutions have already taken into account the extended EUPTD requirements for groups of comparable employees in the job grading system, which was first implemented or updated in the 2025 calendar year.

- **Content of the information:** The Commission proposes (by majority vote) to focus on the disclosure of the total gross remuneration paid in the same period of the previous year. It should not be necessary to break down the remuneration into individual components (which is often difficult in practice). At the same time, employers must generally consider all relevant remuneration components when determining remuneration.

- **Remuneration information and protection of personal data:** The Commission proposes (by majority vote) to retain the minimum threshold of at least six employees of the opposite sex performing the relevant comparative activity, which is already regulated in Section 12 (3) EntgTG for the provision of information.

- **Time-related exercise of the right to information:** The Commission proposes a time-related focus with the possibility of exercising the right to information on an annual basis.

Extended reporting obligations

The extended reporting obligations include the following core topics:

- **Employers and employees to be taken into account:** The reporting requirement applies to all employers with at least 100 regularly employed employees, regardless of their legal form. Individual employers as legal entities (legal entity principle) are affected. All employees employed in Germany and abroad must be included. Consolidated group reporting is not provided for by law.

- **Report content:** The report content includes the data specified in Art. 7 (1) EUPTD (including gender-specific pay gaps for total remuneration, basic remuneration and variable remuneration components). In EntgTG 2.0, the legislator must still determine, among other things, whether

  1) all remuneration components are to be taken into account when determining the respective pay gap or – comparable to the regulatory remuneration concept in Section 2 (1) InstitutsVergV – a quantitative de minimis limit can be applied for relevant benefits in kind,

  2) remuneration granted by third parties (e.g. LTI remuneration components granted by the parent company) should also be included, and

  3) whether the target remuneration or the actual remuneration should be used as a basis.

- **Reporting cycle:** Depending on the number of regularly employed staff, this is annual (at least 250 employees) or triennial (at least 100 employees).

Applicable law for institutions with cross-border business activities

The right to information is assessed according to the law applicable to the employment relationship. If the employment contract does not contain a choice of law clause, the applicable law is to be determined in accordance with Art. 8 (2) to (4) of Regulation 593/2008/EU (Rome I Regulation).

> *Non-EEA countries are not subject to the scope of the EUPTD and are therefore not required to implement its provisions on the right to information.*

The reporting obligation is assessed according to the legal principle of territoriality. The legal regulations applicable at the employer's registered office (as specified in the articles of association) are decisive.

Remuneration system compliant with EntgTG 2.0 and gender-neutral design of the remuneration system in accordance with supervisory law

The remuneration system updated to implement EntgTG 2.0 should regularly meet the regulatory requirements for a gender-neutral design of the remuneration system (Section 5 (1) No. 6 InstitutsVergV) in remuneration practice. Institutions can take this into account, among other things, when reviewing remuneration systems as part of the annual audit (Section 12 PrüfBV).

Remuneration in BRUBEG – InstitutsVergV 5.0

Institutions will have to deal with the following core issues, among others, when implementing BRUBEG:

- **Remuneration systems – Content of remuneration parameters:** According to BRUBEG, ESG risks must be taken into account in the remuneration strategy and variable remuneration must (also) be determined on the basis of financial and non-financial criteria (including ESG criteria). With regard to ESG risks, the legislator states in the explanatory memorandum to BRUBEG that the updated legal provisions (only) reflect previous supervisory practice. Reference can be made, among other things, to the statements made by BaFin in its „Questions and Answers on the InstitutsVergV" (FAQ IVV) dated 13 June 2024, according to which BaFin primarily locates the consideration of ESG risks in the business and risk strategy of the institution. Institutions should therefore also be able to derive the relevant ESG criteria from the strategic guidelines under the BRUBEG and do not have to establish separate ESG remuneration parameters. At the same time, they must document that the relevant ESG risks are taken into account in the remuneration parameters.

- **Remuneration governance – supervisory body of third-country branches:** Many institutions with a domestic third-country branch have so far placed the function of the supervisory body with the management body of the parent company. The current BRUBEG draft stipulates that in future, the supervisory body of the parent company will be responsible for the remuneration of managers and the monitoring of employee remuneration systems. The legislator has not (yet) taken into account the criticism expressed in the legislative process, including by the Federal Council (and the proposal to delete this new provision) in the BRUBEG.

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New ESG Requirements as a Challenge – and an Opportunity – for Banks

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The past year has seen numerous regulatory changes in the area of sustainability, the impacts of which institutions will continue to have to address this year as well. While other countries, such as the United States of America, appear to be bidding farewell to the "green" era, Brussels is attempting a measured simplification in order to strike a balance between maintaining Europe as an attractive financial centre and implementing measures to promote environmental, social and governance (ESG) objectives. The planned reforms span the entire spectrum of ESG-related topics. From sustainability reporting and banks' risk management to the rules governing sustainable financial products, institutions will be required in 2026 to review and adapt their ESG processes.

Omnibus Simplification Package

At the beginning of the year – in February 2025 – the European Commission presented its Omnibus Simplification Package, which is intended in particular to simplify sustainability reporting for the companies concerned. This is accompanied by the objective of reducing the administrative burden for companies subject to reporting obligations by at least 25%. To achieve this ambitious goal, a series of amendments to existing EU legal acts is envisaged.

Both the Corporate Sustainability Reporting Directive (CSRD) and the European Corporate Sustainability Due Diligence Directive (CSDDD) are to be streamlined with regard to their scope of application.

With respect to sustainability reporting under the CSRD, it is planned to raise the application threshold from 500 to 1,000 employees, combined with net turnover exceeding EUR 450 million. For the scope of application of the CSDDD, the threshold is to be increased from the current 1,000 to 5,000 employees, and the required net turnover from EUR 450 million to EUR 1.5 billion. These adjustments are intended to ensure that only large or very large companies fall within the scope of one of the two directives and are therefore subject to the additional administrative burden of reporting.

The transitional period until the potential simplifications enter into force was also regulated in the past year. Under the so-called "stop-the-clock" legislative acts, the commencement of reporting obligations under the CSRD and the CSDDD for many companies was postponed by a further two years. This is intended to ensure that, during the transitional period until the implementation of the measures under the Omnibus Simplification Package, companies do not have to advance internal processes or establish reporting systems that they may have to abandon again after implementation.

ESG risks in banks' risk management following the implementation of CRD VI

The transposition of the Capital Requirements Directive VI (CRD VI) into national law through the Banking Directives Implementation and Bureaucracy Reduction Act (BRUBEG) will also bring a number of innovations for institutions in 2026 with regard to their ESG risk management. At the centre of these changes are the newly introduced Sections 26c and 26d of the German Banking Act (Kreditwesengesetz – KWG), which address ESG-specific requirements for risk management and, in particular, establish the requirement for a specific plan to monitor and manage ESG risks (the so-called ESG risk plan).

In the future, ESG risk plans will constitute a key component of banks' ESG risk management.

These ESG risk plans are intended to identify the financial risks arising for institutions from ESG factors in the short, medium and long term. The specific requirements imposed on each institution will depend largely on its size. Section 26d KWG provides for relief for small and non-complex institutions within the meaning of the Capital Requirements Regulation (CRR), as well as for institutions that are comparable to them in terms of the nature, scale, complexity and risk profile of their business activities.

In addition to the implementation of the CRD VI provisions, several Level 2 measures addressing sustainability have been adopted at European level. Particular attention is currently likely to be paid to the EBA Guidelines on ESG risk management. These are not being applied comprehensively by BaFin, in part because, from the supervisory authority's perspective, they lack the necessary proportionality for smaller institutions. It can therefore also be assumed that the topic of ESG risk management will be taken up by the supervisor in the context of the MaRisk amendment announced for 2026.

Revision of the EU Sustainable Finance Disclosure Regulation (SFDR)

At the end of November 2025, the European Commission also published a draft revision of the EU Sustainable Finance Disclosure Regulation (SFDR). Here too, the focus is on "simplification". A fundamentally new system of product categories is to be established.

> *In the future, "green" financial products are to be classified into three product categories: Sustainable, Transition or ESG Basic.*

While products in the "Sustainable" category invest in companies or assets that are already sustainable, products in the "Transition" category invest in companies or assets that are not yet sustainable but are on a path towards sustainability. The "ESG Basic" category additionally covers products that take other sustainability factors into account.

A prerequisite for categorisation is also likely to be that at least 70% of the investment supports the sustainability strategy of the respective chosen category, and that investments in "harmful" sectors and activities are excluded.

Negotiations between the European Commission, the European Parliament and the Council of the EU on the final design of the revision of the SFDR will continue this year. It therefore remains to be seen to what extent the proposed system of three product categories will be subject to further adjustments and which rules will ultimately apply to sustainable financial products in the future.

Conclusion

Against this background, sustainability remains a matter of particular interest for banks and companies in the financial sector as a result of the regulatory initiatives outlined above. While they may hope for relief and simplification of regulation from Brussels, the amendments to various EU legal acts, as well as the transposition of the ESG risk management requirements under CRD VI into national law, will nonetheless confront them with a multitude of new challenges. Implementing these changes and complying with supervisory requirements will remain a central task this year as well. It therefore remains to be seen whether the EU's objective of making sustainability simpler and thus future-proof will also hold true in practice.

Opportunities and Challenges for FinTechs: Developments in Financial Regulatory Law in 2026

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In 2026, the continued digitalisation of the financial sector must remain aligned with the applicable financial regulatory framework. This applies equally to FinTechs seeking to establish a presence in the financial market as well as to those that have already developed and implemented successful business models. Against this background, several key regulatory and market trends can be identified.

Alternative financing model

Alternative financing models will continue gaining relevance in 2026.

- **Access to financing:**
  Peer-to-peer funding and lending platforms
  Crowdfunding, as an alternative financing model, will remain a viable option for start-ups and small and medium-sized enterprises (SMEs) to raise investment capital in a comparatively low-bureaucracy manner in 2026. Depending on the financing structure pursued (P2P, C2B, B2C or B2B), differing regulatory requirements apply. Where consumer projects are financed via publicly accessible platforms, compliance with the EU Crowdfunding Regulation (Regulation (EU) 2020/1503) and the related delegated regulations is required. In the B2B context, the intermediation platform may also be structured pursuant to Section 34d (1) no. 2 of the German Trade Regulation Act (Gewerbeordnung – "GewO"). The use of artificial intelligence may enable credit intermediation platforms to operate more efficiently; however, such use must comply with the transparency requirements of the EU AI Act. An increase in sector-specific platforms is expected in 2026. Overall, the crowdfunding market continues to expand.

  This development will continue to create opportunities for FinTechs, either in their capacity as platform operators or as providers of technical services to platform operators, including data exchange solutions. FinTechs may also contribute their expertise in the use of artificial intelligence within such platform structures.

- **Additional regulatory requirements under the EU Consumer Credit Directive**
  Once consumers are involved on the borrower side, new regulatory requirements will apply in future also to previously unregulated loan products. The EU Consumer Credit Directive, which is to be implemented with effect from 20 November 2026, inter alia in the German Civil Code (Bürgerliches Gesetzbuch – "BGB") and in a new Consumer Credit Supervision Act (Absatzfinanzierungsaufsichtsgesetz – "AbsFinAG"), is intended to further strengthen consumer protection, in particular with regard to digital small-scale consumer credit, including "Buy Now, Pay Later" (BNPL) models and short-term credit arrangements. The AbsFinAG provides, inter alia, for stricter creditworthiness assessments as well as enhanced transparency requirements concerning costs and advertising. These regulatory requirements must also be observed by relevant credit intermediation and lending platforms. In addition, the intermediation of consumer credit will in future be governed by a new Section 34k GewO.

  The implementation of the EU Consumer Credit Directive is also expected to have a significant impact on online commerce, where BNPL models and consumer credit intermediation in the context of sales financing are widely used.

  In this context, FinTechs may provide technical compliance solutions supporting compliance with the Consumer Credit Directive, thereby facilitating business operations for online merchants.

- **Secondary Credit Market Act for non-performing loans (NPLs)**
  No material amendments are expected in 2026 in relation to the German Secondary Credit Market Act (Kreditzweitmarktgesetz – "KrZwMG"). This legislation likewise focuses on borrower protection, in particular through compliance with consumer-protection-related organisational requirements applicable to credit servicing institutions, and gov-

erns the continuation and handling of financing arrangements in situations where the borrower lacks liquidity.

Easier access to financial services

A further market trend expected to continue in 2026 is so-called embedded finance. In this context, financial services which, by their nature, are reserved to regulated institutions – such as credit provision, savings products, real-time payments and real-time refunds, as well as insurance intermediation – are increasingly integrated into non-financial platforms through orchestrated IT architectures. The targeted use of artificial intelligence within such architectures may contribute to an improved customer experience. For FinTechs, this development represents an opportunity to participate in the regulated financial market by providing technical solutions.

In practice, FinTechs operating in this area will typically act as outsourcing service providers for regulated institutions. In this capacity, they will be required to comply with the requirements of Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (DORA). Compliance with DORA is expected to constitute a particular challenge for smaller and early-stage FinTechs. At the same time, traditional financial institutions will increasingly depend on the support of FinTechs when embedding their services into online retail platforms or customer portals of large corporate clients.

> *Another example of easier customer access to financial services, such as investment advisory services, will continue to be provided in 2026 by digital robo-advisors and digital asset management applications.*

While these solutions are not new, there remains a need for greater individualisation through offerings tailored to specific target groups. Cost efficiency for all parties involved and a more individualised customer approach – for example through the efficient use of AI agents – remain key objectives. In this context, compliance with the regulatory transparency requirements of the EU AI Act is of particular importance.

The adoption of the Financial Data Access Regulation (FiDA) is expected in 2026. Subject to the consent of the customer, FiDA will grant third parties access to financial data beyond payment data, which has already been accessible under the Second Payment Services Directive (PSD2). The establishment of a regulated framework for data sharing across the financial sector is intended to promote innovation, competition and the development of improved and more personalised customer products. Third parties processing customers' financial data in a broad sense will in future be subject to regulatory oversight as Financial Data Service Providers. This creates opportunities for FinTechs both to obtain their own regulatory status in connection with new business models and to enter the market as providers of technical infrastructure solutions.

Tokenisation and crypto-assets

In 2026, the market is expected to witness a growing degree of tokenisation of real-world assets (RWAs), including government bonds and real estate. At the same time, following the entry into force of the Regulation on Markets in Crypto-Assets (MiCAR), enhanced tax regulation and transparency requirements will apply pursuant to Council Directive (EU) 2023/2226 (DAC8). Under DAC8, crypto-asset service providers will be subject to comprehensive reporting obligations vis-à-vis tax authorities. In this context, FinTechs providing blockchain-based services and technical support for asset tokenisation are likely to benefit from a market segment with considerable growth potential.

With effect from 1 July 2026, only platforms that are fully authorised under the Regulation on Markets in Crypto-Assets (MiCAR) will be permitted to provide crypto-asset services. All other providers will be required to cease their activities, terminate existing customer relationships and return both funds and crypto-assets to users. As a result, MiCAR will become fully applicable across the European Union in 2026.

The passporting regime attached to the authorisation of crypto-asset service providers will enable EU-wide scaling of crypto-asset markets, thereby enhancing legal certainty and supporting innovation. In addition, further interpretative guidance on the application of MiCAR by the German Federal Financial Supervisory Authority (BaFin) is expected in 2026. While such guidance is likely to further increase legal certainty, it may also necessitate adjustments to existing compliance frameworks.

Overall, the market appears to offer a broad range of opportunities for FinTechs. However, these opportunities are accompanied by complex and demanding regulatory requirements, which will require careful legal and compliance planning.

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ESG Risk Management in the Wake of CRD VI Implementation

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Over recent years, the regulation of environmental, social and governance (ESG) factors has become a defining pillar of the European financial regulatory architecture. What began as a political project aimed at advancing the European Union's sustainability objectives has since permeated supervisory practice, institutional business models, and the expectations of investors and clients alike.

At the same time, ESG regulation has been subject to growing political scrutiny since 2024/2025. Geopolitical tensions, intensifying global competition and mounting criticism of administrative burdens have led to a broader questioning of the sustainability agenda. In this environment, ESG is frequently portrayed as a cost driver, a constraint on innovation, or a competitive disadvantage.

This may suggest a regulatory retreat. Yet a closer examination reveals a more differentiated response.

While sustainability reporting obligations are being streamlined and simplified, supervisory expectations regarding ESG risk management and ESG related financial products remain demanding. The transposition of CRD VI (Directive (EU) 2024/1619) through the Banking Directive Implementation and Bureaucracy Relief Act (BRUBEG) demonstrates that ESG considerations are moving from soft supervisory expectations – such as EBA Guidelines or the BaFin's MaRisk – into binding statutory law. As of 11 January 2026, ESG risk management will be formally anchored in the German Banking Act (KWG). The German legislator implements the CRD VI ESG provisions – primarily set out in Article 76 – through a three tiered framework.

ESG risk management as a component of proper business organisation (level 1)

The cornerstone of the CRD VI transposition with regard to ESG is found in Sections 25a and 25c KWG. The BRUBEG draft clarifies that institutions must explicitly integrate ESG risks into their internal governance and control systems. Consistent with EU law, ESG risks are not defined as a standalone category but as factors influencing established risk types – including credit, market, liquidity, and operational risks.

The requirements for risk strategy (Section 25a (1) sentence 3 KWG) are similarly refined. Institutions are now required to ensure that ESG risks are adequately reflected in their risk strategy and internal risk management processes. This includes the identification, assessment, management, and monitoring of ESG driven risks. What had previously been embedded only within MaRisk becomes a statutory supervisory obligation.

Further detailing of ESG risk management requirements (level 2)

BRUBEG introduces a dedicated provision on ESG risk management (Section 26c KWG), setting out in greater detail how institutions must incorporate ESG risks – for example, through an ESG Risk Plan. It also requires all strategies, processes, procedures, functions and frameworks to consider ESG risks across short, medium and long term horizons, with "long term" defined as a period of at least ten years.

The ESG risk plan as a new supervisory instrument (level 3)

Section 26d KWG further specifies the obligation to prepare an ESG Risk Plan. The plan must systematically set out which ESG risks are material to the institution, the time horizons applied, and the measures envisaged to mitigate those risks. It must be reviewed and updated on a regular basis.

In contrast to transition plans under the CSRD or CSDDD, the ESG Risk Plan requires an "outside in" perspective.

Its focus lies on physical and transition risks that may affect the institution externally. ESG impacts originating from the institution's own activities are excluded unless they translate into risks for the institution itself.

The precise contours of such a plan remain to be fully clarified. The European Banking Authority (EBA) provides guidance on key plan components in its Guidelines on the management of ESG risks (EBA/GL/2025/01). However,

BaFin has not incorporated these Guidelines into its supervisory practice and has instead announced its intention to set out its own expectations. Institutions under BaFin supervision therefore await further guidance with interest.

Proportionality

The German legislator expressly upholds the principle of proportionality, which is embedded in the KWG and reflected in the options provided under CRD VI.

> *Small and non complex institutions may, for example, limit their ESG Risk Plan to material environmental and climate related risks and apply simplified methodologies.*

They may also use qualitative objectives and metrics where quantitative measures would be unfeasible or disproportionate, provided that effective ESG risk management is maintained across all time horizons. Making use of these simplifications requires prior notification to BaFin and the Bundesbank.

Conclusion and outlook

With the implementation of CRD VI via BRUBEG, ESG risk management becomes firmly embedded in the core regulatory framework of the KWG. The legislator underscores that the consideration of ESG factors is not a political add on, but a necessary component of sound risk management. ESG developments can materialise as financial risk drivers and directly influence institutions' risk profiles.

The new requirements reinforce and tighten the organisational obligations under Section 25a KWG – supported by the new ESG Risk Plan, the supervisory contours of which remain to be refined. Recent supervisory examinations and the EBA's draft SREP Guidelines already demonstrate that shortcomings in ESG risk management can lead to tangible supervisory consequences. The CRD VI implementation through BRUBEG will further accelerate this trend.

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MiCAR and the AI Act: Implementation Focus in 2025 and Regulatory Outlook for 2026

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With the entry into force of the Markets in Crypto-Assets Regulation (MiCAR) and the Artificial Intelligence Act (AI Act), European digital regulation in the financial sector has entered a new phase. Both regulations mark a paradigm shift away, from sector-specific, fragmented regulation towards horizontally applicable, technology-based supervisory regimes that directly affect the business models, processes, and governance structures of financial institutions. Following the completion of the legislative process and the establishment of the core regulatory framework by the end of 2024, the regulatory focus has, since 2025, shifted from the substantive design of the rules to their concrete implementation, interpretation, and supervisory enforcement. For financial institutions, this represents a transition from regulatory preparation to an operational stress test in day-to-day business, in which MiCAR and the AI Act expand the existing supervisory framework and significantly increase requirements relating to governance, documentation, and internal control and risk management systems. The real test therefore began only with practical application and supervisory scrutiny of compliance-aligned integration into daily operations – most notably in 2025.

MiCAR: Implementation practice in 2025 and the transition to full application

The legal foundations of MiCAR had been known to market participants since its publication in 2023 and, at the latest, were formally established with national implementation at the end of 2024. However, it was not until 2025 that the regulation became materially apparent in operational practice. The regulatory focus thus shifted from abstract interpretation of the provisions to the concrete preparation of authorisation procedures, organisational adjustments, and practical alignment with supervisory expectations.

Signifcance of level 2 and level 3 specifcation

The year 2025 was characterised by consultations and publications of Level 2 and Level 3 measures by ESMA and the EBA. Regulatory technical standards, guidelines, and Q&A documents emerged as key drivers of implementation. The resulting clarifications primarily concerned authorisation requirements for crypto-asset service providers (CASPs), minimum organisational requirements, as well as governance, risk, and transparency obligations.

Persistent interpretative uncertainty and cautious application activity

At the same time, it became apparent that the ongoing specification at Level 2 and Level 3 did not lead to comprehensive legal certainty. In practice, interpretative questions persisted, particularly with regard to the delineation of individual crypto-related services, the qualification and classification of tokens, and hybrid business models.

> *Publications by law firms and consulting firms regularly point to uncertainties at the interfaces with MiFID II, payments law, and existing licensing regimes.*

These delineation issues also affected implementation practice: the expected number of MiCAR licence applications in 2025 fell short of the original expectations of national competent authorities.

Outlook for greater centralisation of MiCAR supervision

Initial indications of more substantial changes to the supervisory architecture are already emerging in the context of the Market Integration Package (MIP), published as part of the Savings and Investments Union initiative. In particular, a stronger centralisation of MiCAR supervision at the European level is under discussion, for example through an expansion of ESMA's direct supervisory competences for systemically relevant or cross-border CASPs. This development creates uncertainty for market participants regarding the future orientation of national authorisation and supervisory practices.

Full application in 2026 as a stress test

With the transition into 2026, MiCAR enters its first phase of full application and thus a stress test for both market participants and supervisors alike. It will now become evident whether the degree of regulatory specification achieved pro-

vides sufficient planning certainty to translate the previously cautious application behaviour into broader licensing activity. Whether MiCAR will establish itself as a robust framework for stable and competitive crypto markets, or whether regulatory density, supervisory dynamics, and persistent uncertainties will continue to dampen market entry and innovation, will be determined to a significant extent in 2026.

AI Act: Initial implementation steps in 2025 and supervisory testing from 2027

With respect to the AI Act, the focus in 2025 likewise shifted from mere awareness of regulatory content to the operational preparation of initial obligations. Implementation practice demonstrated that the scope of application of the AI Act is very broad and that an isolated or purely technical approach is insufficient. Instead, the AI Act required an institution-wide, cross-governance engagement, particularly at the interfaces between IT, compliance, and data protection.

AI inventory and the establishment of AI literacy as a governance task

In 2025, concrete operational requirements came to the fore for the first time. From February 2025 onwards, institutions were required to assess whether existing AI applications fell under explicitly prohibited practices or whether adjustments were necessary. Although this obligation is generally only relevant to financial institutions in exceptional cases, it nevertheless triggered a structured AI inventory, creating transparency regarding areas of use, dependencies, and the involvement of external providers.

In parallel, the development of AI literacy began as a permanent governance task. Financial institutions were required to embed qualification and awareness measures not only within IT functions, but also across business, risk, and control functions, thereby institutionally anchoring AI competence. The focus was less on isolated training measures and more on the sustainable integration of responsibilities, decision-making processes, and control mechanisms.

From August 2025 onwards, additional governance issues relating to general-purpose AI models moved into focus, particularly with regard to third-party management, contractual safeguards, and dependencies on external models. Established requirements from outsourcing and ICT management were thus complemented by a new regulatory dimension, without the benefit of an already consolidated supervisory review practice.

Applicability in 2026 and the debate on the Digital Omnibus on AI

For 2026, the AI Act in principle provides for the applicability of a large proportion of the remaining provisions, in particular those relating to high-risk AI systems.

At the same time, however, discussions within the framework of the Digital Omnibus on AI consider linking these obligations more closely to the availability of harmonised standards and further postponing their practical enforcement.

Against this background, the actual supervisory milestone of the AI Act is likely to be shifted further into the future, meaning that 2025 and 2026 would primarily be understood as an extended transition and consolidation phase. During this period, governance, classification, documentation, and third-party management would continue to be professionalised without yet being subject to comprehensive supervisory review.

Conclusion and regulatory outlook for 2026

For both MiCAR and the AI Act, 2025 was primarily a phase of operational approximation, during which financial institutions began translating abstract requirements into robust governance and control structures. Looking ahead to 2026, regulation enters a phase of practical testing: under MiCAR, it will become clear whether the achieved level of specification enables broader licensing activity, while the AI Act is likely to remain part of an extended transitional phase.

Draft MaRisk for Investment Firms

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In August 2025 – more than four years after the entry into force of the Investment Firm Act (Wertpapierinstitutsgesetz, WpIG) on 27 June 2021 – the Federal Financial Supervisory Authority (BaFin) published for consultation a first draft of the new circular on the Minimum Requirements for Risk Management of Investment Firms (WpI-MaRisk). With this step, BaFin is making another attempt to clarify its supervisory understanding and administrative practice and, in doing so, to operationalise the statutory provisions of the WpIG. This attempt, too, is not free from friction.

The WpI-MaRisk are addressed to small and medium-sized investment firms which, to date, have been required to apply the Minimum Requirements for Risk Management of Credit Institutions and Financial Services Institutions (MaRisk) – a framework that is, in many respects, ill-suited to their business models.

The MaRisk, which are based on the German Banking Act (Kreditwesengesetz, KWG), are primarily geared towards the business models of banks and, upon closer examination, effectively lost their applicability to investment firms with the entry into force of the WpIG in 2021. Accordingly, the need for a sector-specific calibration of supervisory requirements, disentangled from the banking supervisory framework, existed not only from 27 June 2021 onwards, but already beforehand as part of a forward-looking supervisory approach.

However, BaFin has not implemented this step consistently. Instead, the investment supervision division responsible for drafting the WpI-MaRisk has, under the stated objective of maintaining existing supervisory practices, largely transposed provisions from the MaRisk. As a result, the draft at times resembles a scaled-down version of the MaRisk and contributes only marginally to shaping the autonomous regulatory framework envisaged by the legislator.

Content and regulatory focus

The draft WpI-MaRisk follows the structure of the MaRisk and therefore covers all elements of risk-oriented governance: from the detailed design of risk management and risk controlling systems to internal control mechanisms, as well as clearly defined requirements regarding outsourcing, reporting and organisational arrangements. BaFin's apparent objective is to establish a coherent and consistently interpretable framework that takes account of the specific characteristics of investment firms while at the same time ensuring compatibility with banking supervision.

The principles of risk measurement and own funds requirements enshrined in the IFR, as well as the options for combining management functions at executive level, have been implemented consistently. The underlying concept of risk-bearing capacity is also well designed. The main focus of the draft, however, lies in the transposition – or rather the partial verbatim reuse – of familiar MaRisk content. This applies, for example, to internal audit, stress testing, risk inventories and general governance obligations. Differences between banks and investment firms are often insufficiently reflected, with the logic of the KWG largely being carried forward. In this respect, the WpIG's objective of establishing an autonomous supervisory framework, particularly for small and medium-sized investment firms, is losing visibility.

Clear criticism from industry associations

Against this background, it is hardly surprising that the consultation draft of the WpI-MaRisk has been met with remarkably uniform and pronounced criticism from industry associations. A recurring core objection is that the draft neither adequately reflects the principle of proportionality nor follows a principles-based approach in line with the regulatory concept of the WpIG. According to the associations, BaFin is seeking, by way of an administrative circular, to subject investment firms de facto to a regulatory regime based on the logic of the KWG, despite the fact that the European legislator, through Regulation (EU) 2019/2033 (IFR) and the WpIG implementing Directive (EU) 2019/2034 (IFD), intended to establish an autonomous, less burdensome and, above all, more tailored regulatory architecture.

Criticism focuses in particular on the insufficient differentiation from the MaRisk, given the unchanged adoption of – as the associations argue – more than two thirds of their content.

It is therefore equally unsurprising that another major point of criticism concerns the lack of a clear legal basis for certain WpI-MaRisk requirements. Neither the WpIG/IFD nor the IFR provide a foundation for specific obligations, such as the mandatory performance of stress tests, regular comprehensive risk inventories or the design of ESG-related risk processes. In addition, several provisions are said to conflict with the MiFID II regime or with the ICT risk management requirements introduced by DORA.

Criticism is also particularly strong with regard to governance requirements. Article 25 IFD explicitly exempts small investment firms from certain regulatory obligations; national tightening measures are systematically excluded in the interest of harmonisation. In the view of the associations, this is not sufficiently taken into account in the draft WpI-MaRisk – for example with respect to the obligation to establish an internal audit function or a stand-alone risk management function, which go beyond European standards. This gives rise to the risk of "gold-plating", which in this case would not only create unnecessary regulatory burdens but would also contravene EU law and undermine the relief intended by the legislator.

Current status and outlook: between ambition and reality

BaFin has announced that it will postpone the application date of the WpI-MaRisk from the originally envisaged 1 January 2026 to 1 January 2027. This is intended to align the WpI-MaRisk with the revision of the MaRisk planned for Q1 2026 and to allow room for adjustments in light of the ongoing IFD/IFR review. The postponement may also be a response to the criticism voiced by market participants. Industry associations have welcomed the decision as appropriate, as it provides an opportunity for a fundamental review and correction of the draft.

Nevertheless, the tension between legislative intent and supervisory interpretation is likely to persist. BaFin emphasises that a certain degree of coherence within German supervision, irrespective of the sector-specific regulatory framework, must be maintained, which in its view justifies the close alignment with the MaRisk. A fundamental shift in approach therefore appears unlikely.

"We need strong investment firms."
(Mark Branson, President of the Federal Financial Supervisory Authority (BaFin))

BaFin President Mark Branson formulated this ambition in these words as recently as 3 November 2025. This statement places an obligation not only on the institutions themselves, but above all on the supervisory authority. Whether the present draft of the WpI-MaRisk already lives up to this ambition is open to doubt. It remains to be seen whether the President's recent articulation of BaFin's objective will be followed by tangible relief for investment firms and whether supervisors and institutions will, in future, share a common understanding of what constitutes "strong investment firms" and the regulatory framework required to support them. A thorough revision of the WpI-MaRisk will undoubtedly be part of that process.

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- FIL Finance Services GmbH
- FIL Fondsbank GmbH
- FIL Investment Services GmbH

USA
- American Express Europe S.A. (Germany branch)
- American Express International, Inc., Niederlassung Deutschland, Frankfurt a.M.
- American Express Payments Europe, Service Limited, (Germany Branch)
- Bank of America Europe Designated Activity Company, Zweigniederlassung Frankfurt am Main
- BNY Mellon Service Kapitalanlage-Gesellschaft mbH
- Citibank Europe plc, Germany Branch
- Citicorp Leasing (Deutschland) GmbH
- Citigroup Global Markets Europe AG
- Citigroup Global Markets Finance Corporation & Co. beschränkt haftende KG
- Evercore GmbH
- Gamma Trans Leasing Verwaltungs-GmbH
- Goldman Sachs Bank Europe SE
- Goldman Sachs International, Zweigniederlassung Frankfurt
- IKB Deutsche Industriebank AG
- J.P. Morgan SE
- J.P. Morgan Securities plc, Frankfurt Branch
- Jefferies GmbH
- JPMorgan Asset Management (Europe) S.à r.l., Frankfurt Branch
- Morgan Stanley Bank AG
- Morgan Stanley Europe SE
- Navy Federal Credit Union Military Banking Overseas Division
- Nuveen Asset Management Europe S.à.r.l., Germany
- PayPal Limited, German Branch
- Raisin Bank AG
- State Street Bank International GmbH
- State Street Global Advisors Europe Limited, Zweigniederlassung Deutschland
- The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
- The Bank of New York Mellon, Filiale Frankfurt
- Threadneedle Management Luxembourg S.A. (Germany Branch)
- Wells Fargo Bank International UC, Niederlassung Frankfurt
- Western Union International Bank GmbH

SOUTH AMERICA

Brasil
- Banco do Brasil S.A., Zweigniederlassung Frankfurt/Main

INTERNATIONAL FREE FLOAT

- ProCredit Bank AG
- ProCredit Holding AG & Co. KGaA

Allocation according to the country of origin of institution or group of institutions.

As of 01.01.2026

REVIEW AND OUTLOOK PART II

VIB's Tax Division: Future of Tax in Focus

Investment Funds: Boosters for the Energy Transition and Corporate Financing

On the Concept of Intermediation for VAT Purposes in Connection with M&A Transactions

VIB's Tax Division: Future of Tax in Focus

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The year 2025 was marked by political disagreement and scarce resources in the authorities. Federalism often acts as a brake, tax law remains complex, and digitization in tax administration is progressing only slowly. Practical, real-world perspectives are often not incorporated early enough, which sometimes leads to challenging regulations and technical guidelines. In particular, issues such as German withholding tax regularly cause tension in the exchange between tax administration and banks. It is not always easy for all relevant parties to keep pace with the dynamics of current developments.

VIB's tax division – service provider for members

This division offers a wide range of services: from current tax information on the member website and tax news on LinkedIn to the "Tax is in the Air" podcast, ad hoc mailings, monthly information, the new Bulletin, and the "retrospective" yearbook. Furthermore, the VIB's bilingual withholding tax brochure was published in 2025. The series of events ranges from luncheon meetings to working groups and seminars to in-house training courses, for example on withholding tax issues, and the Audit Symposium. The withholding tax update is now offered as a master class and information session. The New Year's reception of the VIB tax division took place for the first time in 2025, and the "Tax & Drinks" summer party is now firmly established. Thanks to this wide range of services, members can obtain targeted and efficient information and continue their education on an ongoing basis.

The tax division stands for partnership-based cooperation with authorities and fast, practical support. The list of proposals was finalized and remains a key working tool. 20 tax experts from leading law firms and tax consulting companies are involved in the VIB's tax division. Three banking practitioners have been appointed to the Tax Policy Group. Close cooperation with the new Tax Policy Group promotes innovative approaches and sustainable improvements. Overall, the wide range of activities and publications illustrates the high level of commitment and innovative strength of the VIB's tax division.

Small and large successes of VIB's tax division

Despite the challenging conditions, VIB was able to achieve numerous successes for its members again last year. For example, the loss offset restrictions in Section 20 of the German Income Tax Act were removed, a transitional grace period was granted for withholding tax refunds under Section 50c Income Tax Act, and the postponement of "MiKaDiv" was achieved. The exemption for bearer bonds in the Tax Haven Defense Act and the establishment of a working group with the Federal Ministry of Finance, Federal Central Tax Office, and banking practitioners on data transmission pursuant to Sections 45b and 45c Income Tax Act are further successes. The timely publication of an English version of the decree by the Federal Ministry of Finance on data transmission as well as a synopsis of the 9th Act to amend the Act Regulating the Profession of Tax Advisors is a positive development. Prompt responses from the Federal Ministry of Finance and the Federal Central Tax Office provide valuable guidance for practical implementation. These successes underscore the importance of continuous dialogue between the Association, the tax administration, and practitioners.

> *In 2025, we banks were once again faced with the challenge of implementing changes in tax law. The VIB serves as an indispensable source of information for us in this regard. In addition, the VIB works closely with us on requirements that are unacceptable or require interpretation, serving as a tool for influencing the tax authorities during the legislative process. Once again, we achieved a lot together in 2025.*
>
> ***Andrea Helm, ING Diba AG***

Withholding tax 2026

Withholding tax will remain a key issue in 2026. The EU FASTER Directive requires national implementation, and further tax legislation projects are to be expected, often with only short deadlines for comments. The VIB's tax division is well positioned for this and ready to actively support its members in

overcoming new challenges. Close cooperation with member institutions and continuous dialogue with the authorities remain crucial to success.

The Association's tax law topics impressively demonstrate how diverse and dynamic both familiar and new tax issues and projects are – a universe that one can hardly navigate alone. This makes the combined expertise of the VIB even more valuable, providing us foreign banks with a strong and reliable partner for all tax-related issues.

Helge Kramer, Agricultural Bank of China Ltd., Frankfurt Branch

Between reforms and regulation – setting the tax course for banks

2025 was marked by numerous tax reforms and regulatory adjustments for banks in Germany. Tax law remains highly complex, and the requirements for banks are increasing. To meet these challenges, institutions must respond flexibly to new requirements and continuously adapt their processes.

Tax changes and challenges in 2025

International banks had to adapt to new reporting requirements and harmonization under the Withholding Tax Relief Modernization Act. The technical specifications of the Federal Central Tax Office have been provided at the end of 2025. Institutions hope for as much overlap as possible with the EU FASTER reporting standards to enable efficient implementation. Accordingly, institutions have already begun preparing for the new reporting requirements.

In the area of transfer pricing, the Fourth Bureaucracy Reduction Act (Viertes Bürokratieentlastungsgesetz) has expanded documentation requirements starting in 2025. A transaction matrix is now mandatory and must be submitted within 30 days. Violations are subject to substantial penalties. These new requirements lead to increased administrative effort and make close coordination between tax departments and specialist areas essential.

The application decree to Section 4k Income Tax Act specifies the requirements for hybrid taxation mismatches. For banks with international structures, the requirements for auditing and documenting cross-border transactions are increasing. The differentiated treatment of group taxation systems, for example regarding US GILTI, illustrates the complexity. Against this backdrop, institutions are required to identify risks at an early stage and to continuously develop their processes.

Focus on the future: Tax challenges on the horizon

Section 342h Commercial Code means that the new public country-by-country reporting will have to be applied and implemented in practice for the first time. Foreign banks with group headquarters in third countries in particular are thus facing new transparency and disclosure requirements. Reporting will be mandatory from 2026 for the 2025 financial year and will require significant adjustments to data collection and coordination with group headquarters. The new requirements will increase the need for coordination and pose additional challenges for institutions.

Banks are facing far-reaching changes, for example in relation to sales tax and the possible implementation of the Skandia and Danske court rulings. The mandatory introduction of e-invoicing from 2027 will fundamentally change invoicing processes. Tax departments are already working intensively to prepare for and implement these changes, in close collaboration with technology and operations teams.

The implementation of CRD VI will result in changes for third-country banking establishments in terms of capital adequacy and the determination of tax-deductible capital. The new requirements necessitate careful review and adjustment of transfer pricing models. Increased cooperation between supervisory and tax authorities and expanded transparency requirements will raise the bar for documentation and data consistency. Institutions will need to adapt their internal processes and control systems accordingly.

Tax policy decisions and the importance of tax compliance

Current developments make it clear that banks in Germany will continue to face multifaceted and demanding challenges going forward. In order to minimize risks and secure their own long-term competitiveness, it is essential that they continuously adapt to new regulatory requirements, implement efficient processes, and proactively prepare for future requirements. Constructive dialogue with supervisory and tax authorities and ongoing review of internal processes remain just as essential as a culture of compliance and a forward-looking tax strategy.

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Investment Funds: Boosters for the Energy Transition and Corporate Financing

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VIB Expert Panel
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Partner
WTS GmbH

Germany is experiencing a significant investment backlog, which is affecting numerous sectors equally and having a negative impact on the goals of the energy transition and general economic growth. This problem is not new. In fact, there have been discussions for years about how e.g. the German investment fund industry, which is well-capitalized and fundamentally willing to invest, can contribute to solving the problem. However, it has not yet been possible to create the legally secure framework required for this from a regulatory and tax perspective. Hopefully, this will soon change with the Fund Risk Limitation Act (Fondsrisikobegrenzungsgesetz) and the Location Promotion Act (Standortförderungsgesetz).

Opening up the Capital Investment Code (KAGB) for the management of renewable energies

The numerous real estate funds of German origin, respectively the real estate they hold are particularly suitable for the operation of renewable energy generation plants. However, the KAGB prohibits any investment fund from engaging in operational activities outside the financial sector, which means that the sale of self-produced electricity, even if it is only a production surplus that cannot be used by the fund itself, is not possible for investment funds in a legally secure manner. Furthermore, it is not clear whether and, under which conditions, renewable energy management facilities constitute assets that can be legally acquired by real estate funds. These legal uncertainties are to be eliminated by the Location Promotion Act, in particular to accelerate the implementation of the energy transition.

From a regulatory perspective, real estate funds shall be expressly permitted to acquire assets that serve the management of renewable energies and are necessary for the operation of charging stations (directly or indirectly via companies serving this purpose); in addition, the operation of these facilities shall also be explicitly permitted.

However, clear and reliable framework conditions are also to be created in terms of investment tax. Special investment funds in particular run the risk of establishing so-called active entrepreneurial management through the management of renewable energies, e.g., the sale of the electricity produced, which would lead to the loss of their investment tax status as special investment funds if certain de minimis limits are exceeded. In future, income from the management of renewable energies (whether directly or indirectly via companies serving this purpose) shall no longer be able to lead to this de minimis limit being exceeded. This would remove the threat of losing the tax status. However, income from the management of renewable energies at the level of the real estate fund (provided that this leads to active entrepreneurial management) would then be subject to both corporate income tax and trade tax without exception, which should be acceptable in view of the additional return opportunities.

Germany gets a competitive regime for credit funds for the first time

Germany must transpose the amendments to the AIFM Directive and the associated uniform European requirements for credit funds into national law by 16 April 2026. The transposition is to be carried out by means of the Fund Risk Limitation Act (Fondsrisikobegrenzungsgesetz), which will result in both manager- and product-related changes to the KAGB. On the product side, it should be noted that only closed-end public AIFs, but all types of special AIFs, both open-ended and closed-ended, will be allowed to grant loans. Leverage will be limited to 175% for open-ended AIFs and 300% for closed-ended AIFs. Credit funds could be a useful addition to the product portfolio of credit institutions, particularly for the purpose of corporate financing, as they offer greater flexibility and, especially through special AIFs with lower investor protection requirements, allow risks to be taken that would otherwise prevent credit institutions from granting loans due to regulatory requirements. Credit funds could also potentially lower the market entry barrier for foreign credit institutions by allowing them to act as outsourced asset managers for a credit fund initiated by them and managed by an external AIFM.

However, without accompanying changes to the tax framework, it will not be possible to develop a competitive environment for credit funds of German origin.

The background to this is, in particular, the unresolved legal question of whether the activities of a credit fund are comparable to the business operations of a credit institution to such an extent that they qualify as primarily commercial from a general income tax perspective and as active entrepreneurial management from an investment tax perspective. The consequence would be that the income of a credit fund set up in the legal form of a so called Sondervermögen (contractual-type investment fund) or a Investmentaktiengesellschaft (corporate-type investment fund) would be subject to both German corporation tax and trade tax, whereas credit funds of foreign origin would typically be exempt from all income taxes. In addition, performing an active entrepreneurial management would mean that credit funds would not be able to meet the requirements of a special investment fund for investment tax purposes.

The Location Promotion Act is intended to eliminate these tax disadvantages as far as possible. The InvStG is to expressly stipulate that the granting of loans to persons who are not consumers within the meaning of Section 13 of the German Civil Code (BGB) does not constitute active entrepreneurial management. This will at least create the necessary environment for tax-efficient financing of companies or, for example, infrastructure projects by credit funds. This is because the negation of active entrepreneurial management means that the interest income generated is generally not subject to either corporation tax or trade tax, so that the credit fund can receive it completely tax-free, as is customary with credit funds of foreign origin. Interest could only be subject to corporate income tax in certain circumstances, e.g., if loans are directly secured by domestic real estate. It should be noted, however, that this highly welcomed and tax-competitive environment only applies to AIFs that fall within the scope of the InvStG, i.e., from a German perspective, AIF set up in the legal form of a German Sondervermögen or a German Investmentaktiengesellschaft (or registered AIFs in the legal form of other corporations or companies). Credit funds in the legal form of a partnership will therefore continue to be subject to a potential trade tax risk if they have a permanent establishment in Germany.

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On the Concept of Intermediation for VAT Purposes in Connection with M&A Transactions

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The VAT treatment of services provided in the context of M&A transactions regularly poses challenges for taxpayers in practice. In the case of share deals, these are in the tension between a VAT-exempt brokerage service pursuant to Section 4 no. 8 letter e) or f) of the German VAT Act on the one hand and taxable advisory services on the other. The VAT consequences can be significant for all parties involved, which is why a legally secure delimitation – also in view of the sometimes considerable remuneration that is involved – is of immense practical importance. Recent developments in case law on the concept of intermediation for VAT purposes may be able to help here.

The concept of intermediation in Section 4 no. 8 of the German VAT Act

In general, the intermediary services referred to in Section 4 no. 8 of the German VAT Act presuppose the activity of an intermediary who does not occupy the position of one of the parties to the contractual relationship to be brokered over a financial transaction and whose activity differs from the typical contractual services provided by the parties to this contract. In this context, the intermediary activity is a service that is provided to a contracting party and remunerated by the contracting party as an independent intermediary activity. The purpose of the intermediary activity is to do what is necessary for two parties to conclude a contract in the content of which the intermediary has no self-interest. An intermediation service in this sense may consist of, inter alia, demonstrating to one party the opportunity to conclude a contract, contacting the other party or negotiating the details of the reciprocal services in the name and on behalf of the customer.

> *What is decisive is that the activity of the intermediary constitutes, if viewed broadly, a distinct whole that fulfils the specific and essential functions of an intermediary service.*

The brokerage activity must always relate to specific individual transactions, i.e. there must be a single-case-related brokerage activity. However, it is not necessary for the exemption to apply that the financial transaction to be brokered has actually been concluded.

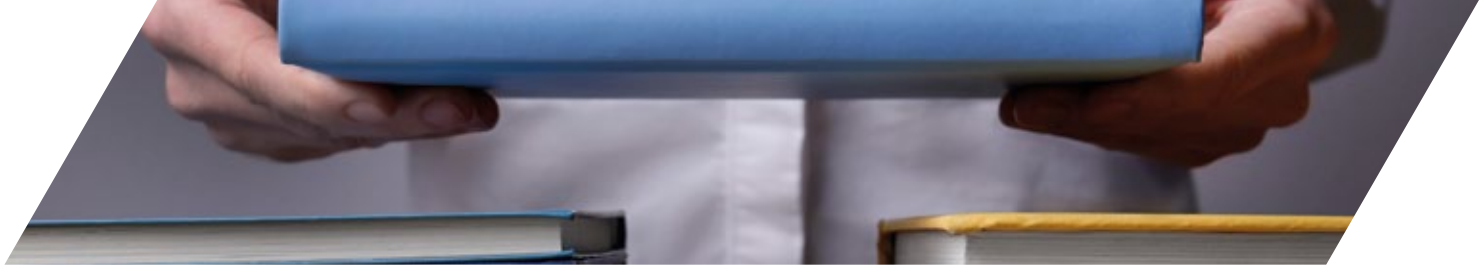
Conversely, services that have no specific and substantial connection to individual brokerage transactions are not covered by the exemption. This may be the case if a service provider is entrusted with only part of the factual work arising from or in connection with a contractual relationship to be brokered, such as the provision of information, general advisory services or the acceptance and processing of applications for the conclusion of financial transactions.

Typical activities in the context of M&A advice

In the context of M&A advice, the performance of the following activities is typically contractually agreed (non-exhaustive):

- **Identification of potential buyers or target companies** (market analysis, selection of suitable candidates)
- **Establishing contact and establishing the connection between the parties** (initiation of talks, organization of initial contacts)
- **Due diligence support** (provision of information, opening and maintenance of data rooms, coordination of the audit, but without own legal or tax advice)
- **Negotiation of individual contractual terms** (participation in the coordination of purchase price, guarantees, payment modalities – if aimed at concluding the contract)
- **Coordination of the transaction process** (schedules, communication between parties, coordination of documents)
- **Advice on strategic options** (e.g. structuring the transaction)

Legal or tax advisory services are regularly excluded as well as investment advice or investment brokerage for regulatory reasons. Depending on the actual design of the specific activities, these agreements can therefore form the basis for both VAT-exempt



brokerage services and taxable advisory services in the individual case.

VAT challenges in practice – remedy through case law?

In practice, the clear distinction between taxable advisory services and VAT-exempt brokerage services is regularly a challenge. It becomes all the more complex the more different service elements come together, e.g. within a uniform single supply. Often, it is only in the course of a project or shortly before its completion that it becomes clear how the service is to be classified for VAT purposes. The effects can be considerable for the recipients of the service, especially since a waiver of the VAT exemption is often out of the question for them (e.g. in the case of pure financial holdings). However, the question of the correct qualification of their own services also regularly arises for advisors with regard to their fees and their input VAT recovery position.

The recent case law of the Federal Fiscal Court, various first-tier tax courts and, more recently, the European General Court now offers at least one indication that is quite useful in practice for a large number of cases, with which taxable advisory services can be distinguished from VAT-exempt brokerage services: Insofar as the activities of the advisor as an intermediary contain both intermediary elements within the meaning of the exemption provisions and advisory elements, the agreement of a (predominantly) success-based fee may arguably speak for a VAT-exempt single transaction-related brokerage service of the advisor.

Does the success-based fee therefore constitute a sufficiently legally secure delimitation criterion? The answer is, as is so often the case, that it depends.

In cases of doubt, a success-based fee will usually be a strong indication of a VAT-exempt brokerage service. However, it is not the remuneration that is and remains decisive for the VAT assessment, but the service actually provided in each case. This also applies if the services specified in the contract suggest a VAT exemption, but the activities in the context of the ongoing project have deviated from this. Accordingly, if the assessment of the activities in connection with the respective contract shows that there is essentially a taxable advisory service, success-based remuneration cannot change the VAT liability of the underlying service. Nevertheless, the case law is to be welcomed, as it offers a certain orientation and a fundamentally manageable solution, especially for cases of doubt.

Result

According to the latest case law, M&A advisory services must still be examined on a case-by-case basis for their VAT treatment. In addition, the services provided as well as the fundamental considerations regarding their VAT treatment should be documented carefully and as comprehensively as possible. The agreement of a success-based fee can be a significant indication of the assumption of a VAT-exempt brokerage service. If necessary, it is worthwhile to amend the corresponding contract templates, remuneration models and process requirements in the case of share deals with a view to making it easier to distinguish between tax-free brokerage and taxable advice.

Shape the future with confidence

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REVIEW AND OUTLOOK PART III

DORA, Cybersecurity Act and Cyber Resilience Act in Interaction

FIDA and its Impact on International Banks and Financial Institutions in Germany

The EU AML Package: Practical Considerations for Implementation by July 2027

DORA, Cybersecurity Act and Cyber Resilience Act in Interaction

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The digital transformation of the financial sector has structurally deepened dependence on information and communication technology systems and at the same time created new systemic vulnerabilities. Against this backdrop, the European Union has been pursuing a coherent regulatory approach for several years that combines sectoral resilience requirements with horizontal product safety and market instruments. From the perspective of the financial sector, the Regulation on Digital Operational Resilience in the Financial Sector (DORA), which came into force this year, the EU Cybersecurity Act (CSA) and the Cyber Resilience Act (CRA) form a regulatory framework that addresses different levels of the same risk area.

DORA establishes a closed, sector-specific framework for financial companies to manage ICT risks and ensure the operational resilience of critical financial services. In addition, credit institutions and other financial companies as operators of critical assets are recognised as banking sector institutions by Directive (EU) 2022/2555 (NIS2) which pursues a horizontal approach to ensuring a high common level of cybersecurity in the EU. With the implementation of NIS2 into German law at the beginning of December 2025, it has now been made mandatory for credit institutions and other financial companies that the DORA regulations regarding risk management, reporting, evidence and notification obligations take precedence over the corresponding provisions of NIS2; only the registration requirement and, where applicable, the designation of a contact point to the Federal Office for Information Security (BSI) are to be observed as supplementary requirements by credit institutions and other financial companies, provided that these financial companies qualify as operators of critical facilities.

In addition to DORA, the Cybersecurity Act strengthens confidence in digital products and services through EU-wide certification mechanisms, while the Cyber Resilience Act anchors binding security requirements directly at the level of hardware and software products with digital elements.

Taken together, these legal acts shift the regulatory focus from purely organisational compliance to an integrated approach along the entire digital value chain.

This creates a consistent, albeit demanding, regulatory framework for credit and securities institutions: operational resilience is no longer determined solely by internal controls and processes, but increasingly also by the inherent security of the technologies and products used. The interaction between DORA, CSA and CRA thus aims to strengthen the stability of the financial system in the long term without dismantling the sectoral supervisory system, and reflects the Union's ambition to establish cybersecurity as a common public good of the internal market. In addition, the legal framework of the EU AI Act fits into the architecture of digital resilience in the financial sector. AI systems used in core banking processes such as lending, trade monitoring, fraud detection or risk modelling are subject to both the organisational resilience requirements of DORA and, if classified as high-risk AI, the product-specific obligations of the AI Act.

Impact of the EU Cybersecurity Act on the financial sector

Regulation (EU) 2019/881 (EU Cybersecurity Act, CSA) established a Union-wide framework for the cybersecurity certification of ICT products, services and processes. Although this did not result in any immediate organisational compliance obligations for CRR institutions and investment firms in the sense of an independent supervisory regime, the CSA's impact is felt through the use of products and services that are subject to or eligible for certification, for example in the areas of cloud computing, identity management or network security. As part of their ICT risk management under DORA, institutions must consider whether the products and services they use have the relevant certifications and what level of trust these cover.

Impact of the EU Cyber Resilience Act on the financial sector

Regulation (EU) 2024/2847 (Cyber Resilience Act, CRA) takes a product-based approach and addresses manufacturers and distributors of hardware and software products with digital elements. Here, too, CRR institutions and invest-

ment firms are not subject to any new regulatory obligations as supervised entities, unless they themselves act as manufacturers or suppliers of such products. However, the direct impact is felt through the use of CRA-compliant products in operations. Of particular relevance to the financial sector is the fact that the CRA sets binding requirements for 'security by design' and 'security by default' as well as for vulnerability management and the provision of security updates.

> *When procuring and using software and ICT systems, institutions can assume that CRA-compliant products will meet a minimum level of cybersecurity defined across the EU.*

This makes it easier to meet the DORA requirements for prevention and resilience, but does not replace the obligation to carry out their own tests, monitoring and emergency measures. However, it is also conceivable that credit or securities institutions could be manufacturers or distributors of hardware and software products with digital elements within the meaning of the CRA, as can be seen from the examples outlined below:

- **Banking and investment apps for end customers**
  Mobile and web applications for payment transactions, securities trading or asset management are independent software products. If institutions develop these apps themselves or distribute them under their own brand, they act as manufacturers and distributors, with direct obligations in terms of secure development, vulnerability management and updates.

- **Hardware-related security or authentication solutions**
  Institutions sometimes issue their own hardware tokens, smart cards or combined hardware/software solutions for strong customer authentication or signature management. If these are designed and provided under their own responsibility, they are considered hardware products with digital elements and may be subject to the manufacturer obligations of the Cyber Resilience Act.

- **Platforms for digital assets or market infrastructure services**
  If an institution operates proprietary distributed ledger platforms, wallet software or trading and settlement systems for digital assets and makes these available to other market participants, it may qualify as a manufacturer and distributor of complex software products with digital elements, even if the origin lies in its own business model.

Taken together, DORA, NIS2, the Cybersecurity Act and the Cyber Resilience Act form a coherent, complementary regulatory framework. For companies in the financial sector, DORA forms the central and final legal framework for digital operational resilience. The two product- and market-related regulations reinforce the security of the technologies used and thus indirectly contribute to the stability of the European financial system.

FIDA and its Impact on International Banks and Financial Institutions in Germany

Alexander Kregiel
VIB Expert Panel
Bank Management and Reporting

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msg for banking ag

With the Financial Data Access Regulation (FIDA), the European Union is creating a uniform, cross-sector framework for access to financial data – marking a turning point for the European financial industry. Whereas open banking was previously limited to account information and payment data, FIDA now opens up the data space completely: loans, insurance, investment accounts, pension plans and even company-related data fall within its scope. This makes FIDA much more than just another compliance issue: It is the starting signal for an open, European financial data space that enables innovation and new business models – and offers every bank and insurance company opportunities to optimise processes, strengthen customer loyalty or win new customers.

A new regulatory framework for Europe – and a strategic touchstone for international players

The FIDA Regulation obliges banks, insurers and other financial players to share their data with other institutions or certified service providers in a standardised, secure and real-time manner at the request of their customers – naturally in accordance with strict data protection and security requirements. Its aim is to strengthen consumers' data sovereignty, promote innovation and ensure the competitiveness of the European financial sector. For international institutions in Germany, this means that their presence in the German or European market alone entails comprehensive regulatory requirements – regardless of where their headquarters are located or which national standards apply.

FIDA is not an optional regulatory project, but a structural change in the market that no international or national player can avoid. The timetable is ambitious – the regulation is expected to come into force in the first half of 2026, following the conclusion of negotiations between the Parliament and the Council. The transition period will be approximately 24 months.

Opportunities and risks for international banks

International banks in Germany face a double challenge. On the one hand, they must fully implement FIDA rules, and on the other hand, they must ensure that their global IT architectures meet European standards. Globally active institutions in particular often have heterogeneous data silos or system landscapes that cannot be easily harmonised.

However, FIDA is not only an obligation, but also offers a variety of strategic potential:

- **Competitive advantage through data-based products**
  The combination of the institution's own and external customer data enables new data-driven offerings – such as automated product comparisons, loans with immediate risk analysis, individualised pension planning or 'the one private financial overview' that aggregates all of the customer's financial products.

  For example, cross-border services can be created for customers in Germany to differentiate themselves from local competition.

- **Customer access via new touchpoints**
  Many international institutions have so far only had indirect access to end customers – for example, as product providers in the background. FIDA now gives them the opportunity to use consolidated financial data as the basis for their own digital offerings and to position themselves more strongly at the customer interface.

- **FIDA-based customer approach: the right offer at the right moment**
  Companies and brokers benefit from efficiency gains through standardised interfaces and digital application processes. In addition, with a complete and up-to-date picture of their customers' financial situation, they can offer personalised and data-driven advice. Intelligent analysis of financial and insurance data identifies suitable life events and occasions for proactive engagement. Individual offers are presented to customers exactly when they are relevant. This increases the likelihood of closing a deal and intensifies the customer relationship.

- **Getting started with AI models**
  With their customers' consent, banks can use a standardised API to access all relevant financial data about their customers, even at other institutions: account information and transaction data, as well as data on current loans, insurance policies, and securities accounts and investments held at other banks. In a second step, this data serves as the basis for modern AI models for precise analyses, creditworthiness and risk assessments, etc.

  As a result, banks will be able to make highly personalised (loan) offers and automate the associated processes.

  In future, customers will not only benefit from offers tailored to their needs, but will also enjoy the advantages of a significantly more efficient process for all parties involved.

- **Efficiency potential through automated processes**
  FIDA data really comes into its own in risk assessment, KYC/AML and credit application processes/credit decisions: application processes can be reduced, risks assessed more accurately and manual checks replaced.

New competitive reality: transparency forces quality and price competition

The opening up of the financial data space also increases the pressure on established national and international players. In future, banks and insurers must expect customers to be able to find cheaper loans, more efficient insurance products or more attractive investment offers based on complete data in real time. The barriers to switching are falling significantly – a factor that can pose a particular challenge to institutions with low customer loyalty or offer new potential for further relationships.

Conclusion: FIDA as a European game changer – and a test for traditional business models

FIDA is structurally changing the German and European markets. National and international banks and financial service providers must not only respond to regulatory changes, but also shape them strategically. While FIDA intensifies competition, the regulation also creates enormous opportunities: access to comprehensive customer data, new digital business models and efficient processes are a competitive advantage – but only for institutions that address the issue early on and invest in their IT infrastructure.

The first steps in this direction could be innovation workshops to generate and prioritise institution-specific use cases, which can then be used as a basis for setting the course for new data-driven business models, partnerships and customer access at an early stage.

Those who recognise and exploit the opportunities offered by FIDA in good time can secure a clear competitive advantage and corresponding market share – or risk being overtaken by more agile competitors.

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The EU AML Package: Practical Considerations for Implementation by July 2027

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Senior Managing Director
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The EU AML package creates, for the first time, a largely harmonised European regulatory framework for combating money laundering and terrorist financing. The AML Regulation (AMLR), the AMLA Regulation, the 6th Money Laundering Directive and the Money Transfer Regulation together form a 'single rulebook' that is increasingly replacing national specificities.

A key component is the new European Anti-Money Laundering Authority (AMLA), based in Frankfurt, which will directly supervise high-risk institutions from 2028 and coordinate the work of national authorities across Europe. This will make supervisory practice much more uniform and, at the same time, more demanding. For institutions, the focus is now on the operational implementation of the technical requirements.

Expanded group of obliged parties, greater transparency and integrated sanction risk

The package expands the group of obliged parties, tightens transparency requirements and changes key definitions. The redefinition of the term 'beneficial owner', shortened and now harmonised KYC cycles and additional customer data, will require significant adjustments.

Another key aspect is the integration of sanctions risk into company-wide risk analysis and the mandatory sanctions check in the KYC process. Many institutions will have to harmonise historically grown structures, standardise data models and adapt technical platforms.

Technical standards as an operational foundation

The AMLR refers to over fifty technical standards (RTS, ITS, guidelines) that will specify key areas such as risk factors, customer due diligence, model governance and group-wide procedures. As many of the requirements are still in the draft stage, institutions must already align their structures and systems so that they can flexibly accommodate future requirements. The final standards will set binding minimum requirements that will shape supervisory practice and often go beyond the wording of the AMLR in operational terms.

Challenge for third-country banks with branches in the EU – a stress test for the new regime

While EU banks already align their group-wide standards with European regulations in most cases and therefore mainly have to deal with internal harmonisation measures, the new AML package has a much greater impact on banks headquartered outside the EU. To ensure uniform implementation, it is advisable to have a European lead that coordinates the implementation of EU standards across the group.

The primacy of European law is clear: the AMLR applies directly to all branches in the EU and supersedes any deviating requirements of the third country. A global minimum level is therefore inadmissible if it falls below EU standards. In case of doubt, branches in the EU must regulate more strictly than the home market. Deviations must therefore not only be documented and justified on a risk-oriented basis, but also clearly anchored in governance. All this poses a particular challenge if the country of origin has less granular AML mechanisms.

At the same time, the AMLR tightens governance requirements. Every branch in the EU needs a local compliance manager who is responsible for implementing the AMLR. The parent company remains responsible, but may not weaken EU requirements, which means that in practice, competence centres, new escalation channels or hybrid governance models are often created. The technical implementation also poses considerable challenges.

Many third-country banks operate global IT systems whose data models and monitoring logic are not readily compatible with European requirements.

However, the AMLR requires uniform data fields, high data quality and complete data provenance. Monitoring models must meet EU standards, even if they are operated globally.

Ultimately, a bank's future risk profile will determine the intensity of its supervision. Third-country banks that operate in

more than six EU Member States or present an increased risk, may be classified as Selected Obliged Entities from 2028 onwards and thus fall directly under AMLA supervision.

This will lead to significantly closer, more data-intensive monitoring with in-depth analyses and peer comparisons.

For international groups, European money laundering prevention will thus become an independent strategic management area.

Data quality as the basis for new supervision

The AMLR requires complete, consistent and traceable data sets. Clear responsibilities (data ownership), standardised data models and documented data lineage are particularly relevant.

In future, the AMLA will conduct peer reviews and evaluate data quality checks comparatively. This is a paradigm shift that makes data quality a central supervisory issue.

Structured implementation approach

By the end of 2025, fundamental preparatory work should be completed, such as an initial inventory of customer data, a rough assessment of AMLR requirements and a preliminary survey concept. From 2026 onwards, these foundations will be consolidated by conducting in-depth gap analyses, establishing working structures and preparing new processes from a technical perspective.

By mid-2027, the focus will shift to implementation, as systems must be running smoothly and documentation must be available for audit purposes.

The central AMLR obligations must be fulfilled by 10 July 2027, followed by the complete update of all high-risk customers by July 2028. A flexible system landscape remains crucial, as the final technical standards will require regular operational adjustments after their publication.

Classification and outlook: Implementation requirements in the context of incomplete specifications

The challenges posed by the EU AML package lie less in legal analysis than in the practical implementation of its detailed operational requirements. Data quality, robust governance and transparent monitoring are key elements in this regard. Third-country banks with branches in the EU in particular face considerable transformation requirements, as European minimum standards will have to be complied with in future regardless of global corporate structures.

Additional factors complicate implementation: the possibilities for early data collection are limited by data protection regulations, the transparency register remains only partially reliable during the transition, the new logic of the account retrieval file raises methodological questions, and the use of AI requires timely technical and organisational preparation. Early implementation therefore carries risks, but at the same time offers the opportunity to modernise central systems at an early stage. With its single rulebook, AMLA supervision and other announced technical standards, the AML package defines a clear framework, but many operational requirements are still in the process of being developed. Against this backdrop, the question 'Quo vadis AML?' is less a question of direction than one of implementation: the decisive factor will be how institutions master the transition under conditions of incomplete detailed specifications.

I would like to thank Tim Philip Kuhl for his contribution to this article.

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STATISTICS

The Importance and Role of International Banks in Germany

Several international banks operating in Germany, conducting business here with a German or broader European focus and serving their clients in Germany or across Europe from this base, have grown to a scale that makes them key pillars of Germany as a financial centre. Their balance sheets are comparable in size to those of the largest German, or German-perceived, banks. They play particularly important roles in securities trading and investment banking, as well as in custody services and syndicated lending for German and European corporates. In doing so, they have gained significant market shares, sustained them over many years, and continue to expand them. In contrast to the prevailing trend among many German banks, they also continue to create employment within the German financial services sector.

The statistics set out below are based on publicly available data, in particular from Deutsche Bundesbank, as well as on surveys conducted by the VIB. They provide an overview of the economic significance and deep integration of international banks within the German financial system. As it is not straightforward to obtain reliable and comparable data on additional business lines, activities or detailed employment figures, we have confined ourselves to a limited number of core statements substantiated by available data. The initiative for the financial centre Frankfurt/Germany, in which the VIB is actively involved, is also working to collect and process further robust data in order to present an even more comprehensive picture. This will undoubtedly demonstrate the strength of international banks in the German market even more impressively.

Significance through collaboration and engagement

However, the importance of international banks for Germany as a financial centre cannot be measured solely by market share or economic size. For the Association, their active commitment to a high-performing, stable and internationally competitive financial centre is equally decisive. This commitment is reflected in close, cooperative – yet also constructively critical – dialogue between market participants, policymakers and supervisory authorities. The VIB provides its members with a central platform for this purpose. It pools the expertise of international banks, fosters professional exchange and represents shared interests vis-à-vis decision-makers in the continued development of the financial centre.

International banks engage with regulatory initiatives at the level of Basel and the European Union from the outset, thereby making an important contribution to the quality and practical applicability of regulatory decisions. The early incorporation of their expertise in Germany as well – through the VIB as a transmission mechanism – helps to ensure that regulatory frameworks are not only internationally consistent but also efficiently and effectively implemented within the German context. The transposition of the CRD VI Directive into German law provides a prominent example. Acting as a reliable voice for its members, the VIB contributed their perspectives at an early stage to political and supervisory discussions.

In summary,

international banks are far more than significant market participants. Through their expertise, their international connectivity and their engagement, they make an indispensable contribution to the continued development of Germany as a financial centre. Their success is, at the same time, a success for the location itself – underpinned by close dialogue between market participants, policymakers and supervisors, coordinated through the VIB.

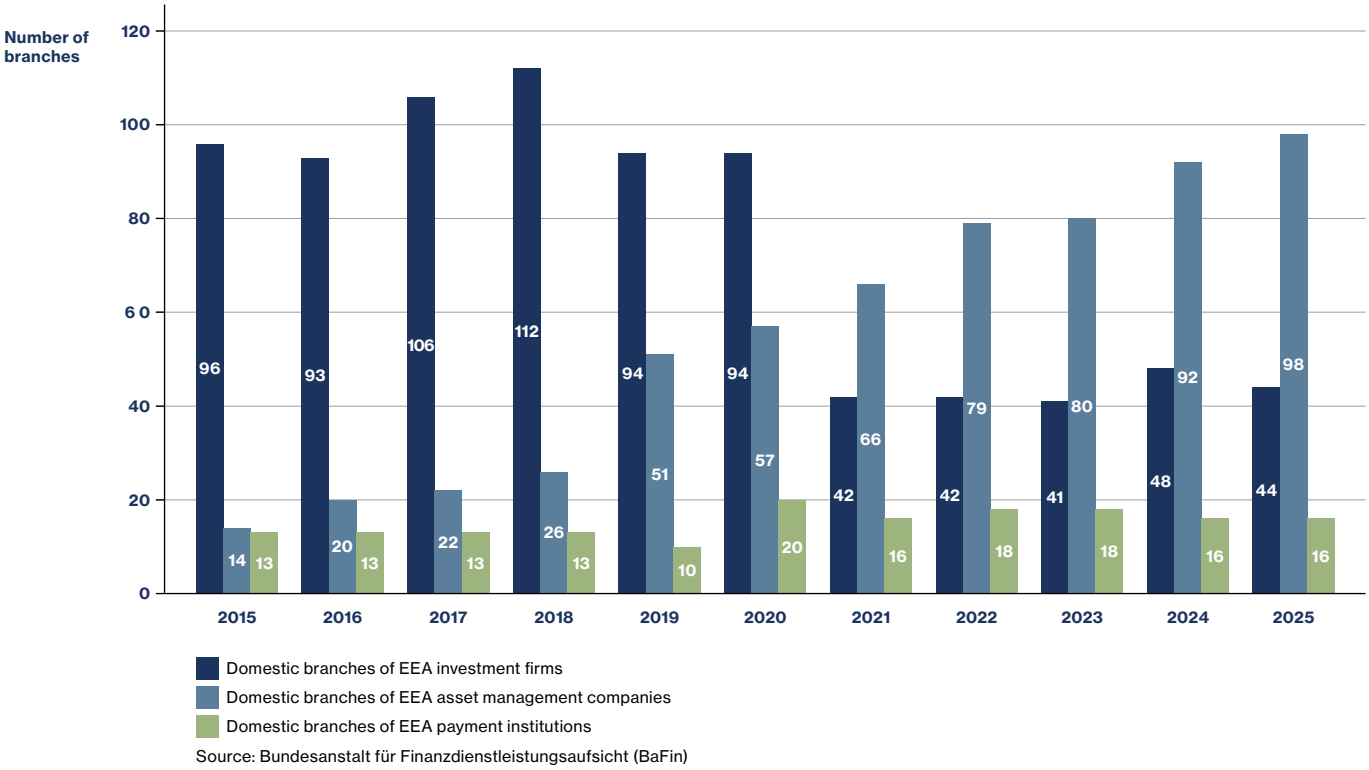
International Banks in Germany

The number of international banks in Germany has again fallen slightly.

Source: Deutsche Bundesbank/Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

Number of Branches of EEA Financial Institutions (Non-Banks) in Germany

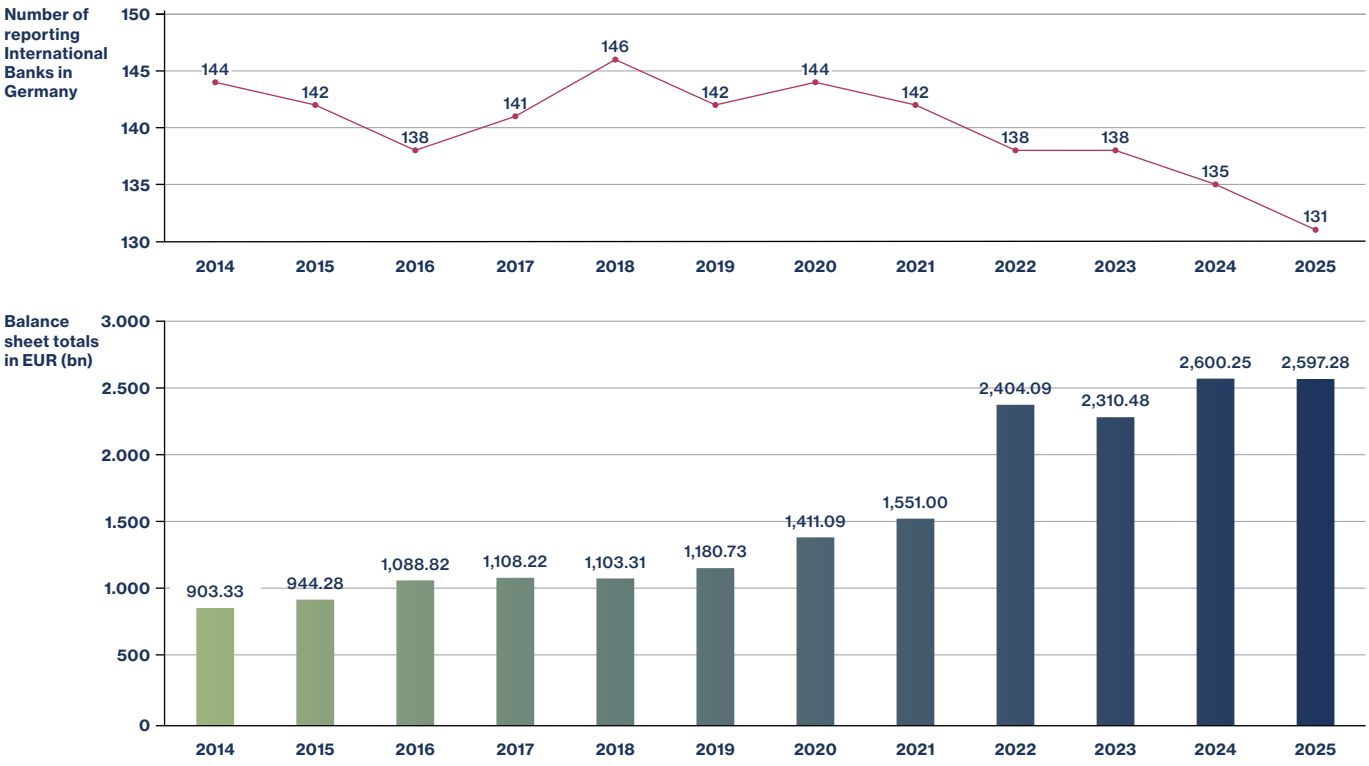
The number of domestic branches of EEA securities institutions remains at the post-Brexit level.
The number of branches of EEA capital management companies continues to grow.



Source: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

Number of BISTA Reports and Balance Sheet Totals of International Banks in Germany as of Reporting Month December

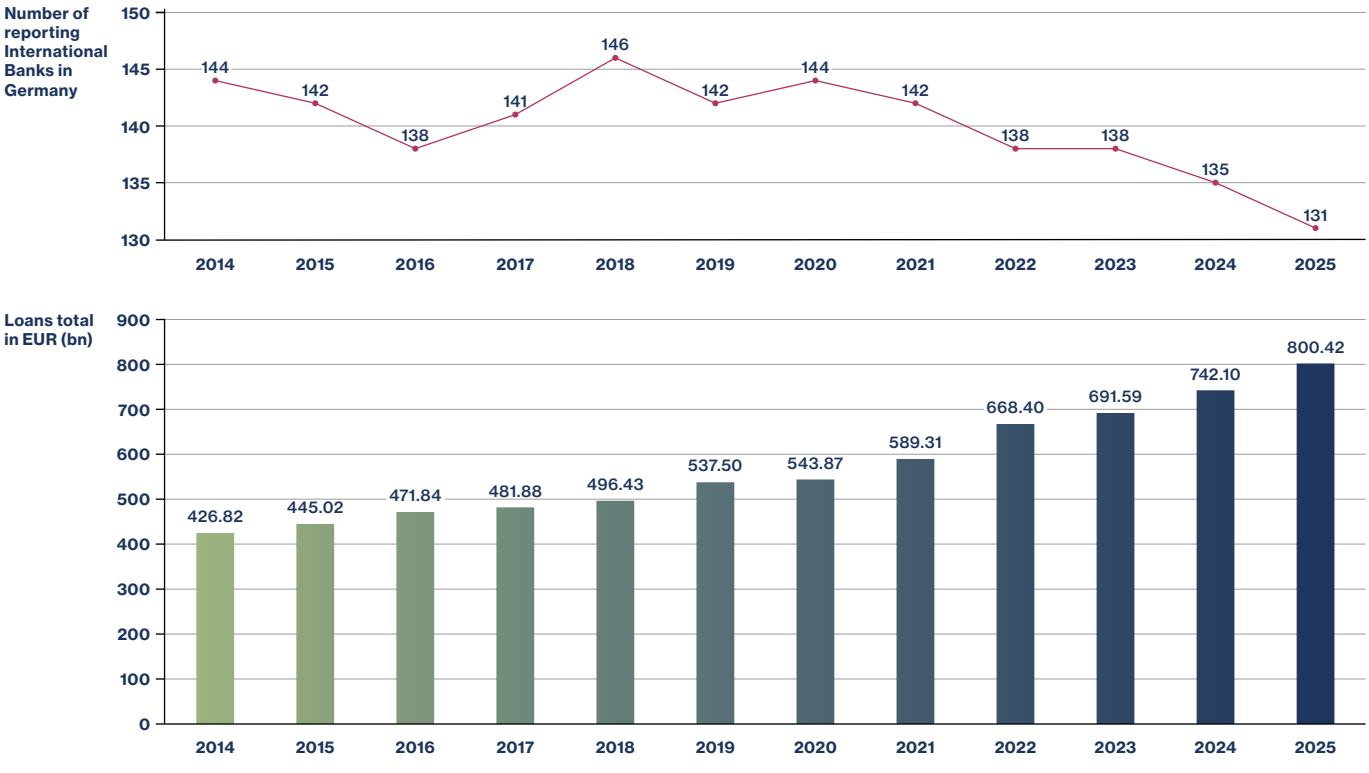
The number of reporting international banks has fallen slightly; growth in aggregate balance sheet totals has continued.



Source: Deutsche Bundesbank

Number of BISTA Reports and Loans to Non-Banks (Non-MFIs) of International Banks in Germany as of Reporting Month December

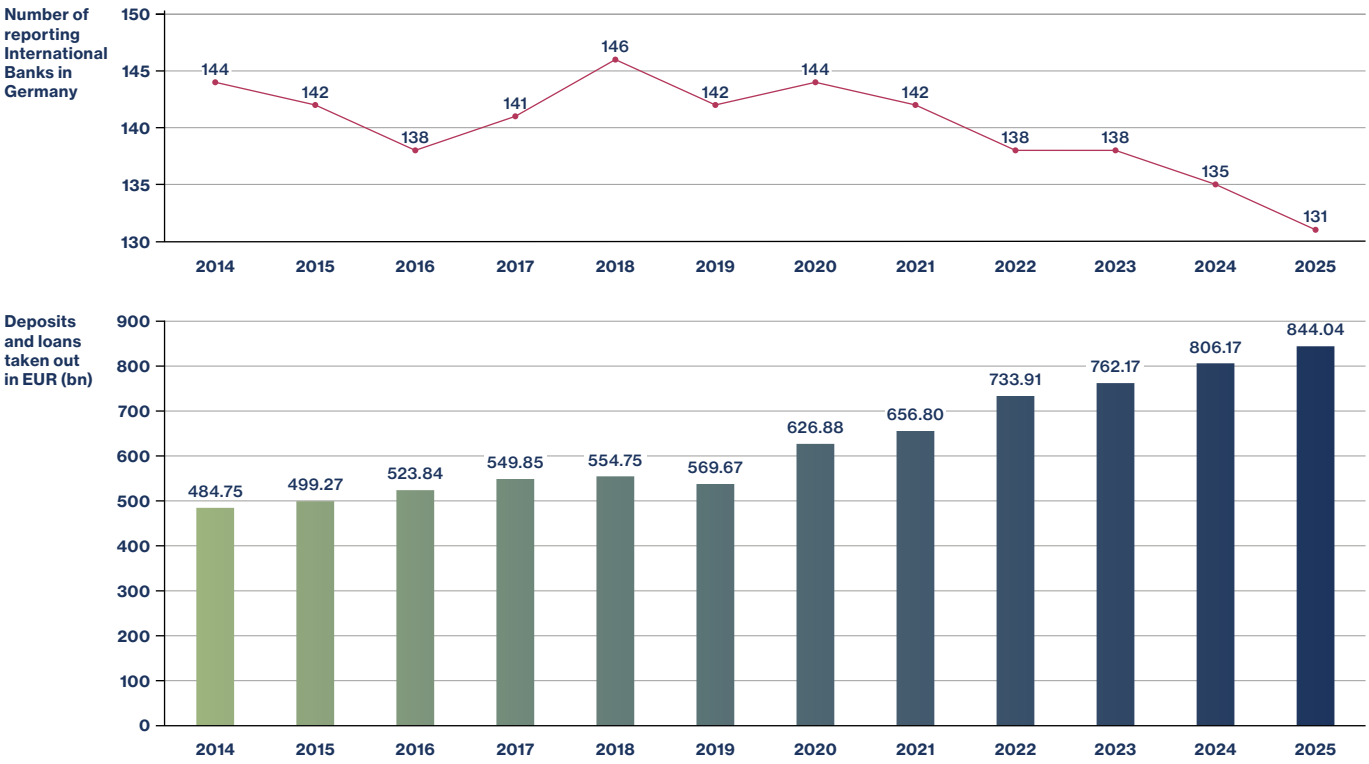
Loans from reporting international banks to non-banks have continued to rise recently, continuing a long-standing trend.



Source: Deutsche Bundesbank

Number of BISTA Reports from International Banks Compared with Deposits and Loans Taken out by Non-Banks of Reporting Month December

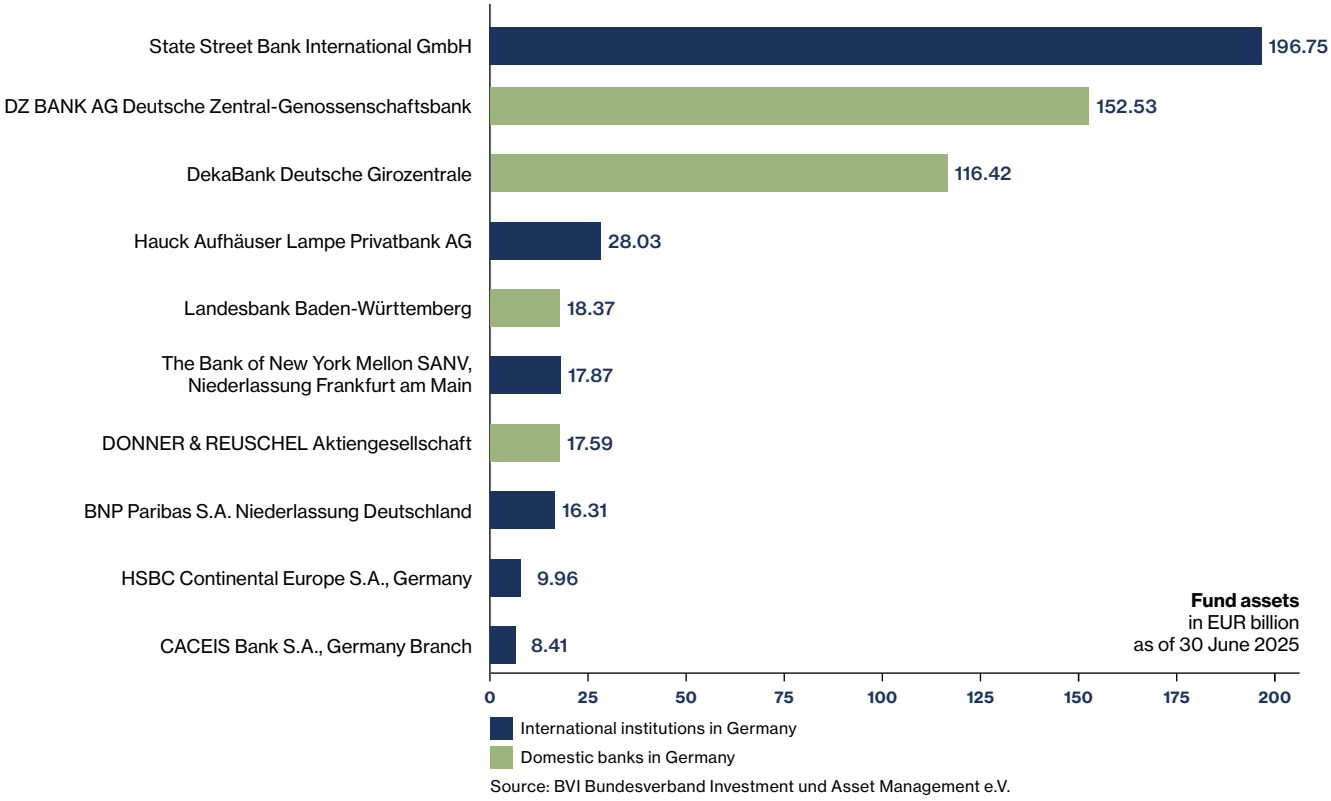
The steady growth on the liabilities side of international banks in Germany has continued in recent years.



Source: Deutsche Bundesbank

Depositories of Securities Funds (Public Funds)

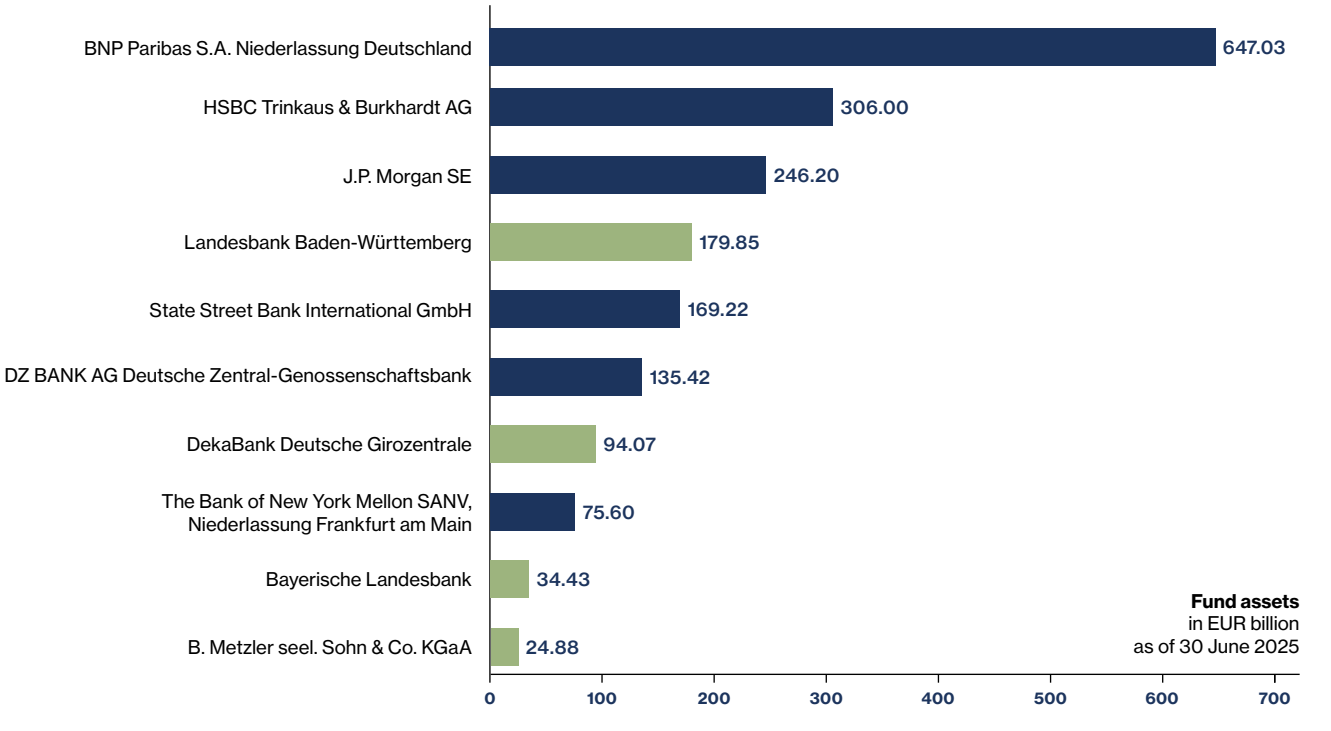
As in previous years, a foreign bank occupied the top position in the area of custody services for public securities funds.



Source: BVI Bundesverband Investment und Asset Management e.V.

Depositories of Securities Funds (Special Funds)

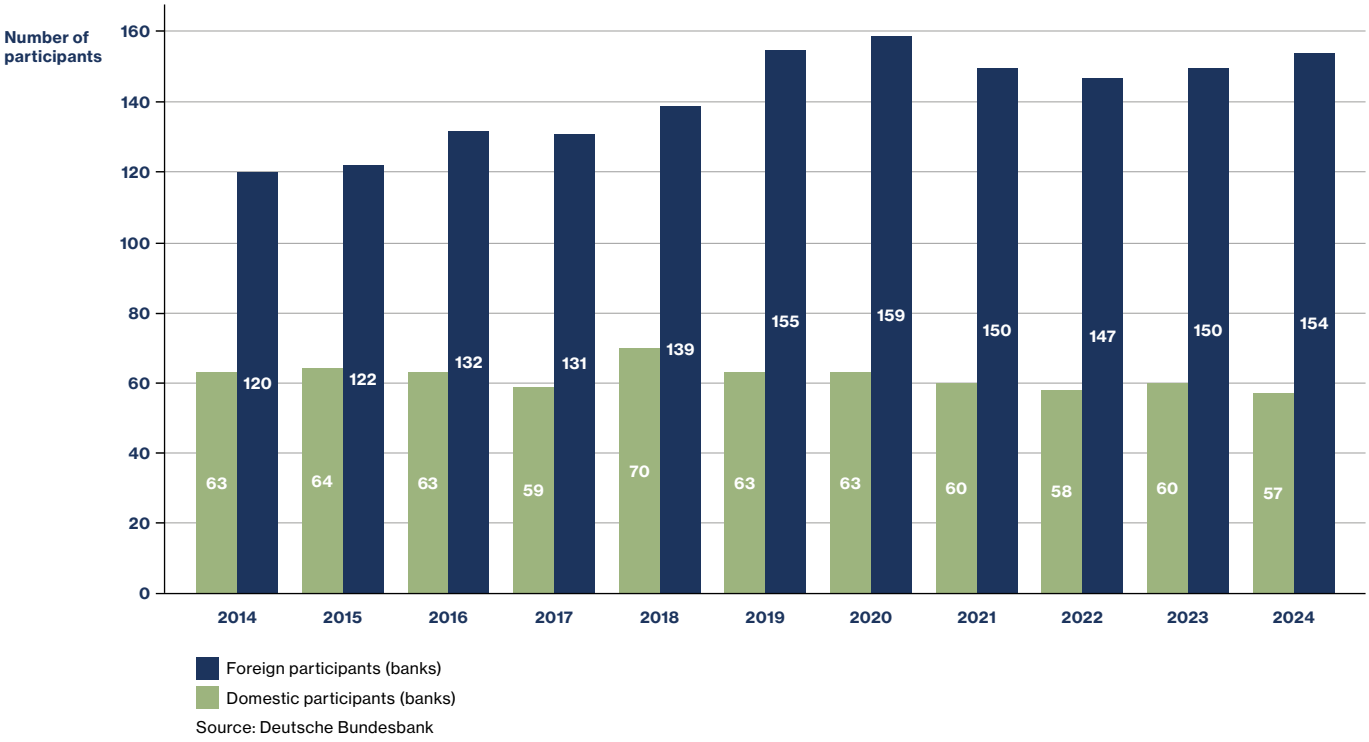
As in previous years, foreign banks dominate the top ten in the area of custody services for special securities funds.



Source: BVI Bundesverband Investment und Asset Management e.V.

Clearing Members of the Central Counterparty (CCP) Eurex Clearing AG

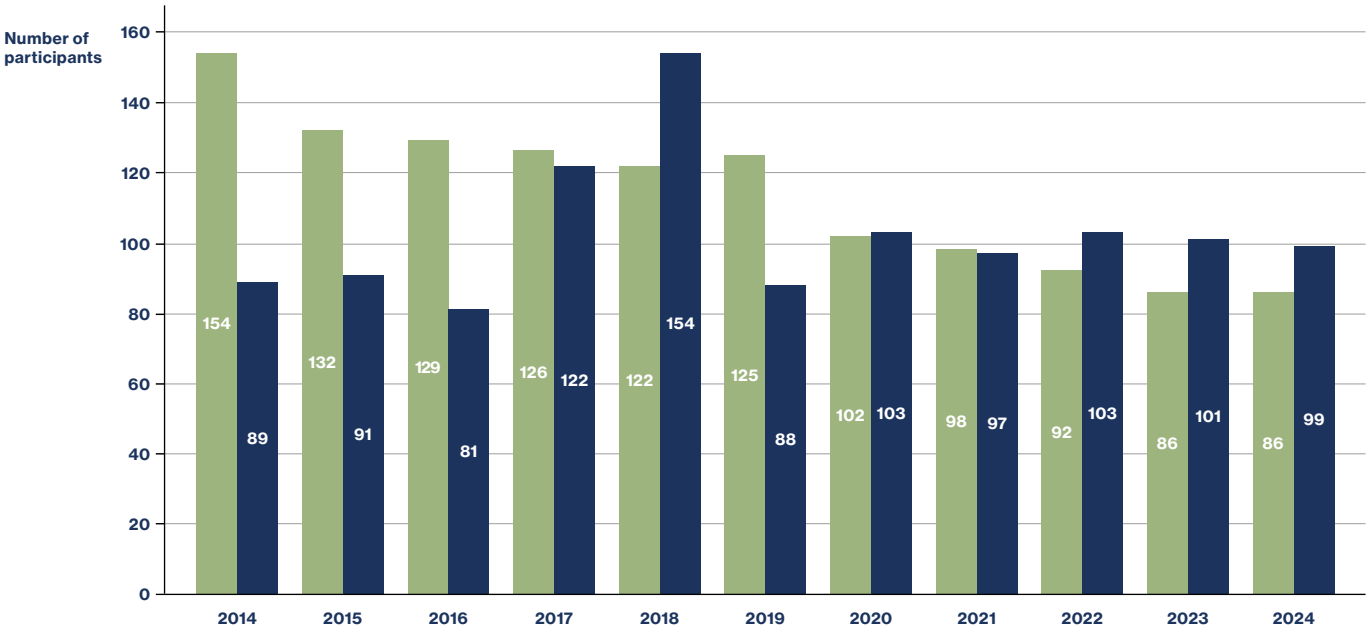
The international nature of the local financial centre is reflected in the consistently high number of foreign participants (banks) at Eurex Clearing.



Source: Deutsche Bundesbank

Members of the Central Securities Depository (CSD) Clearstream Banking AG

The ratio of domestic to foreign participants (banks) has remained balanced in recent years.



Source: Deutsche Bundesbank

VIB SERVICES

Seminars and Events

Information and Updates

Publications

Expert Panel

Tax Policy Group

VIB Seminars

Knowledge Transfer and Exchange at the Highest Level

In 2025, the Association of International Banks in Germany (VIB) once again offered a diverse range of seminars for its members. A total of 16 seminars were organised, which were held in various formats – online or in-person events.

Tailored Content for International Financial Institutions

The VIB seminars are specifically designed to address the needs and questions of international financial institutions operating in Germany. Notably, the high quality of the speakers that the VIB is able to attract is a key highlight:

- **Top-tier experts,** from the VIB expert panel, from supervisory and tax authorities as well as government ministries
- **Practitioners and professionals** from renowned law firms, auditing firms, consulting companies, and IT service providers

These distinguished speakers deliver up-to-date and practically relevant knowledge and are available for discussions and direct exchange with participants. Seminar handouts, recording from online seminars to watch another time, thoughtful organisation, and professional support – both online and on-site – complete the offering.

The seminars not only provide a platform for knowledge transfer but also promote dialogue within the industry:

- Current topics affecting many institutions are discussed – of course, while taking confidentiality and antitrust regulations into account.
- Participants have the opportunity to submit suggestions for improvement and critical comments on the existing regulatory framework, which the VIB team can then address.

Additionally, VIB training sessions and informal „Management Forums“ complement the seminar offer. These create space for conversations between member institutions, external experts, and VIB speakers.

Diverse Topics and Targeted Professional Development

A key focus of the seminars is to meet the professional development needs of the member institutions, especially for employees in specialised functions.

Seminar topics for 2025 included, among others:

- Human Resources – Update 2025
- International Banks in Germany (in Englisch)
- The Implementation of CRD VI in Germany (in Englisch)
- Betriebsprüfungssymposium
- Datenschutz-Update 2025
- Update Zahlungsverkehr

Expand your Expertise

Seminars planned for 2026 include:

- **Human Resources – Update 2026**
- **ESG-Forum 2026**
- **International Banks in Germany (in Englisch)**
- **Jahrestagung zur Verhinderung von Geldwäsche, Terrorismusfinanzierung und Sanktionsumgehung in international tätigen Banken und Finanzinstituten**
- **KESt Update**
- **MaRisk-Novelle**
- **Bankenaufsicht 2027**
- **Dormant Accounts**

Flexible Booking System

- **Up-to-date overview:**
  All seminars, invitations, programs and registration options can be found at https://vib.network/seminars/?lang=en
- **Free reservation:**
  Reserve your place early – without obligation or commitment.
- **Automatic notification:**
  Once the specific program details are confirmed, you will receive an invitation by email.

Additionally, sign up for the general seminar distribution list to stay regularly informed about upcoming events.

Take advantage of the VIB seminars to expand your expertise, exchange best practices, and benefit from the knowledge of leading experts!

VIB Inhouse Training Programs

Practical Knowledge for Executives and Employees

In 2025, the Association of International Banks in Germany (VIB) conducted several bespoke inhouse training sessions, designed for individuals or smaller groups, including senior executives, supervisory board members, and staff from member institutions.

These sessions proved particularly valuable in scenarios where new employees from abroad joined German institutions and required a rapid introduction to the German financial market. Compact, practice-oriented training programs were also offered, tailored to meet the specific needs of the institutions while staying up to date with the latest developments.

Building on its experience, the VIB continuously develops its offerings:

Flexible Formats and Customised Content
The training sessions can be delivered in either German or English and can be conducted on-site at your premises or virtually, depending on your preference.

The trainings offered by VIB cover a wide range of practise-relevant topics. A selection is provided below:

1. **Prevention of Money Laundering and Terrorist Financing**

2. **Banking in Germany (for Expatriates and Executives)**

3. **Corporate Governance Training for Executives**

Contact
The VIB team is always available to answer your questions or consider your suggestions.

Contact us via email:
verband@vib.network

Leverage VIB's training programs to prepare yourself and your employees for the demands of the banking industry.

VIB Working Groups

Exchange for Solutions in the Financial Sector

The Association of International Banks in Germany (VIB) regularly organises working groups on a wide range of topics, as well as issue-specific ad hoc working groups. These groups consist of representatives from the VIB member institutions. When necessary, external experts with specialised knowledge, as well as representatives from the relevant regulatory and supervisory authorities or tax administrations, are involved. The goal is to analyse complex regulatory and tax issues through constructive exchange, develop solutions, and feed these into the decision-making processes of policy and administration, while taking into account the shared interests of the VIB members.

You can find an overview of the working groups and their topics via the following link:
https://vib.network/anmeldung-zu-den-arbeitsgruppen-und-verteilern/?lang=en

With the password **AGUe-Verteiler-VIB** you can complete the registration form and select the working groups relevant to you.

The VIB expands its offering of working groups as needed to address new topics in a timely manner. Of course, we ensure that all working groups work in a competitively neutral manner and in accordance with antitrust law.

Overview of Existing Working Groups

Working Groups in the Compliance and Legal Affairs Division

- Asset Management
- Compliance
- Data Protection
- Global Custodians/Depositaries
- Capital Markets/Exchanges
- MaRisk
- Human Resources
- Legal Affairs/Supervisory Law
- Investment Firms

Working Groups in Financial Crime & Infrastructure

- Administration, Reporting, and Auditing (AMR)
- CRS/FATCA
- Anti-Money Laundering
- IT and Information Security
- Accounting
- Payment Transactions

Working Groups in Taxation

- Investment Tax Law
- Payroll Tax
- Taxes

We warmly invite you to become part of this platform for the exchange of knowledge and experience, to collaboratively shape the challenges of the financial market.

VIB Monthly Update

Your Overview of Current Developments in Banking

The Newsletter **"VIB Monthly Update"** provides a comprehensive overview of the latest developments in regulatory compliance, tax law, banking operations, and reporting requirements. This online publication is released at the beginning of each month and features a user-friendly format that allows you to quickly access the topics most relevant to you.

The "VIB Monthly Update" is available to both members and non-members of the association. You can access the latest issues anytime on the VIB website: https://vib.network/general-overview-monthly-information/?lang=en

Subscribe to the VIB Monthly Update

Do you want to stay informed about the latest developments? Subscribe to the Monthly Update free of charge using the following link: https://vib.network/anmeldung-zur-monats-info/?lang=en

Exclusive for Members: in-depth Explanations

As a special service for VIB members, the Association's expert advisors host an exclusive video conference shortly after the Monthly Update is published. This format offers detailed explanations of the content, contextual analysis of developments, and an opportunity for members to ask questions and engage in discussions.

Registered VIB members automatically receive invitations to these video conferences as part of their Monthly Update subscription.

Make the most of the **VIB Monthly Update** to stay well-informed and gain valuable insights into the latest challenges and opportunities in the banking sector.

VIB Compliance Update

Efficiency and Precision for Your Compliance Department

The **"VIB Compliance Update"** is an exclusive service for VIB members, available in both German and English. This comprehensive database contains compliance-relevant legal sources such as laws, regulations, circulars, directives, and guidelines. It is updated monthly by the Association's specialists and supports the compliance departments of member institutions in monitoring and implementing the applicable regulatory framework in line with MaRisk requirements.

The VIB Compliance Update is specifically tailored to meet the unique needs of international banks operating in Germany. This eliminates the time-consuming and error-prone task of searching through non-banking-specific databases, which are often overwhelmed with irrelevant information. The VIB takes on this task, providing only essential and relevant data, allowing you to focus on the core functions of your compliance department. This tool ensures that your institution meets the high regulatory standards in banking with both efficiency and precision.

In addition, the VIB offers a technical solution in collaboration with **Focus DV GmbH**, enabling seamless data import and the fully audit-proof documentation of subsequent workflow steps.

Interested?
For more information or to subscribe to the VIB Compliance Update, please contact the VIB office via email at verband@vib.network.

Once registered, you will receive a monthly password granting access to this valuable resource.

VIB Position Papers

Your Interests in Focus

Each year, the Association of International Banks in Germany (VIB) prepares numerous position papers addressing legislative proposals and administrative changes at both the EU and national levels. The opinions and positions of member institutions play an active role in shaping these papers.

In addition, the VIB submits responses to changes and consultations initiated by supervisory authorities and tax administrations. These documents reflect the expertise and interests of its members and ensure the industry's perspectives are represented in political and regulatory processes.

A comprehensive and up-to-date overview of all position papers is publicly accessible on the VIB website:
https://vib.network/general-overview-position-papers/?lang=en

VIB Handbooks – Practical Knowledge for the Banking Sector

The VIB offers its members and external stakeholders a range of professional publications, delivering valuable insights into complex regulatory and tax topics.

Banking Business in Germany

The 7th edition of the VAB's flagship publication, **Banking Business in Germany**, was released in October 2023, in collaboration with PricewaterhouseCoopers GmbH. This essential guide is designed for banks operating or planning to establish operations in Germany. The edition 2023 has been fully revised and expanded to include new topics such as:

- **ESG Reporting**
- **Payment provisions of the PSD-2 Directive**
- **Crypto assets**

Authored by experts from the VIB and PwC, this book is unique in the market, offering comprehensive insights into registration processes and the legal and tax frameworks in Germany – all in English. A printed version is available upon request.

Additional VIB Publications

The VIB's team of experts, in collaboration with renowned partners, has developed further publications distinguished by their practical focus and diversity of topics, including:

- **„Remote Work at Foreign Banks"** in partnership with Deloitte, Flyer, August 2022
- **„VAT in Foreign Banks Operating in Germany"**, First Edition, December 2022
- **„Impact of ESG Factors and ESG Risks on Credit Institutions and Investment Firms"** in partnership with GSK Stockmann, First Edition, April 2023
- **„Compensation Systems "**, in partnership with Allen & Overy, Fourth Edition, September 2024
- **„Withholding Tax at International Banks in Germany"**, First Edition, December 2025

These publications are available to VIB members as well as external stakeholders. With these resources, the VIB supports the banking sector in navigating complex topics efficiently and effectively.

For further information or to place an order, please contact the VIB office.

Stay Informed with First-Hand Updates

Your Interests in Focus with LinkedIn & Podcasts

The Association of International Banks in Germany (VIB) is actively engaging with the professional community on the social media platform **LinkedIn**. Through this channel, we regularly share updates on our events, activities, and key topics from the banking and financial sectors.

Stay up to date by following us here:

https://linkedin.com/company/verband-internationaler-banken

We look forward to welcoming you to our network!

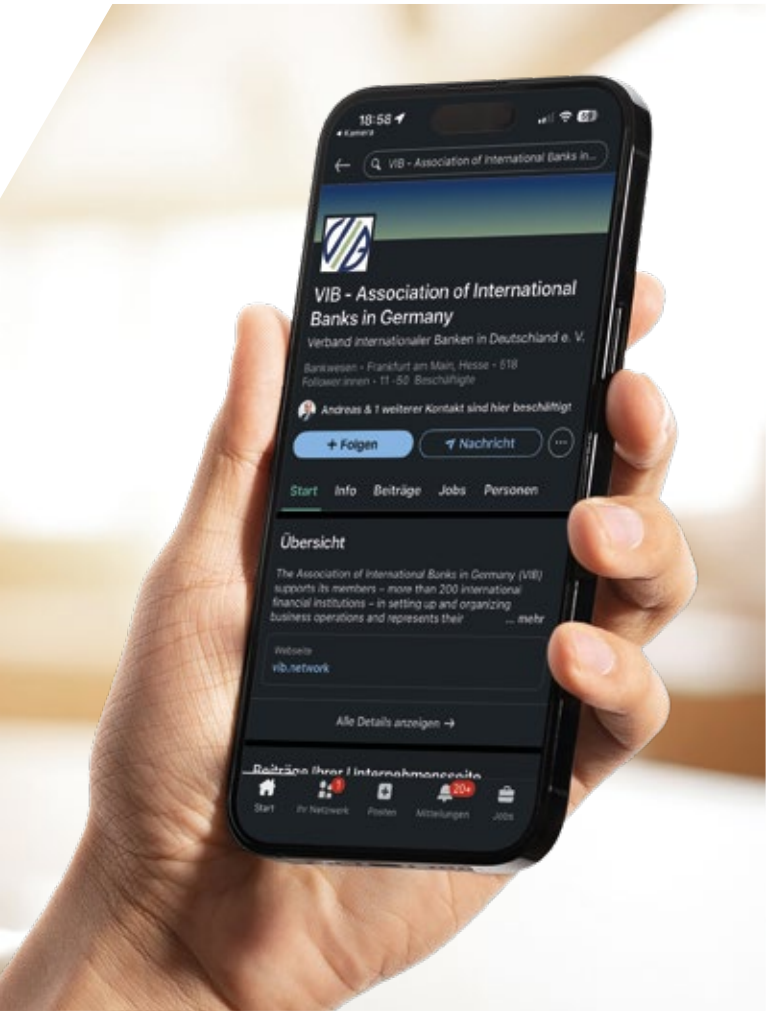
In 2025, we continued a podcast series focusing on **banking regulation**, hosted by Dr Andrea Fechner. This series features interviews with distinguished experts from the VIB Advisory Board. These podcasts are available on our website at

https://vib.network/podcasts-bankenregulierung/

In the field of taxation, our podcast **„Tax is in the Air“** offers an in-depth examination of specific tax topics, such as tax compliance, supplemented by practical reports from selected external experts. You can find these podcasts on our VIB website at

https://vib.network/podcasts-steuern/

We warmly invite you to explore these resources and welcome your feedback, suggestions, and ideas for improvement!



Expert Panel

The VIB Expert Panel, consisting of external consultants, supports the work of the VIB. The experts contribute their practical experience and engage in professional dialogue with the VIB. The expertise of all stakeholders in the financial centre is indispensable in order to be able to keep VIB member institutions accurately informed about current developments at all times.

Further information on the VIB Expert Panel can be found on our website:

Banking, Markets, Compliance and Law
https://vib.network/experten_bmcr/?lang=en

Taxation at International Banks
https://vib.network/experten_stbk/?lang=en

Banking Supervision and Governance

Dr Alexander Behrens
Allen Overy Shearman Sterling LLP

Dr Andreas Dehio
Linklaters LLP

Dr Anna Izzo-Wagner LL.M. Eur.
Waldeck Rechtsanwälte PartmbB

Dr Jens H. Kunz, LL.M. (UT Austin)
Noerr Partnerschaftsgesellschaft mbB

Bank Management and Reporting

Alexander Kregiel
msg for banking ag

Anti-Money Laundering and Anti-Financial Crime

Sebastian Glaab
Annerton Rechtsanwaltsgesellschaft mbH

Michael Peters
FTI Consulting Deutschland GmbH

Dr Richard Reimer
Hogan Lovells International LLP

Data Protection and Investigations

Dr Julia Sophia Habbe
White & Case LLP

Dr Moritz Pellmann, LL.M. (London)
Freshfields PartG mbB

ESG – Sustainable Investments

Dr Verena Ritter-Döring
Taylor Wessing Partnerschaftsgesellschaft mbB

Dr Lars Röh
lindenpartners PartmbB

Financial Markets and Investment Services

Woldemar Häring
White & Case LLP

Dr Caroline Herkströter
DLA Piper UK LLP

Dr Jochen Seitz
Hogan Lovells International LLP

Financial Sanctions

Rafik Ahmad
Flick Gocke Schaumburg

HR, Labour Law and Remuneration

Dr Hans-Hermann Aldenhoff
Simmons & Simmons LLP

Dr Michael R. Fausel
BLUEDEX Labour Law

Dr Lars Hinrichs
Deloitte Legal
Rechtsanwaltsgesellschaft mbH

Dr Hans-Peter Löw
DLA Piper UK LLP

Michael Magotsch, LL.M. (Georgetown)
RIMÔN FALKENFORT

Credit, Syndications and Secondary Markets

Dr Simon G. Grieser
Deloitte Legal
Rechtsanwaltsgesellschaft mbH

Dr Martin Heuber, LL.M. (London)
Mayer Brown LLP

Investment Firms and Market Integrity

Dr Tobias Bauerfeind
Ashurst LLP

Dr Hendrik Pielka
Waldeck Rechtsanwälte PartmbB

Payment Services and Payments

Christian Bruck
BearingPoint Gmbh

Dr Mario Reichel
PPI AG

International Employee Taxation

Ludmilla Maurer
Baker McKenzie
Rechtsanwaltsgesellschaft mbH

International Tax Law

Dr Christian Hundeshagen
Linklaters LLP

Marc Roth-Lebeau
EY Tax GmbH
Steuerberatungsgesellschaft

Investment Tax Law

Dr Stephan Georg Behnes
Baker McKenzie
Rechtsanwaltsgesellschaft mbH

Alexander Hagen
Clifford Chance Partnerschaft
mit beschränkter Berufshaftung

Dr Jann Jetter
Morgan, Lewis & Bockius LLP

Dr Steffen Neumann
WTS GmbH

Capital Gains Tax

Dr Sebastian Adam
Hengeler Mueller Partnerschaft
von Rechtsanwälten mbB

Florian Lechner
Allen Overy Shearman Sterling LLP

Dr Matthias Link,
LLM. (Columbia Univ.)
PricewaterhouseCoopers GmbH
WPG

Tobias Michaelis
WTS GmbH

Taxes for Real Estate and Alternative Investments

Dr Petra Eckl
GSK STOCKMANN
Partnerschaftsgesellschaft mbB

Tax Compliance and Criminal Tax Law

Dr Markus Adick
ADICK LINKE Rechtsanwälte
PartG mbB

Dr Marcus Geuenich
EY Law GmbH

Martin Seevers
ADVANT Beiten

Value Added Tax

Benjamin Bergau
Grant Thornton Wirtschafts-
prüfungsgesellschaft AG

Nils Bleckmann
WTS GmbH

Sebastian Kratz
EY Tax GmbH
Steuerberatungsgesellschaft

Dr Tanja Walter-Yadegardjam
Freshfields PartG mbB

Transfer Prices

Andreas Persch
EY Tax GmbH
Steuerberatungsgesellschaft

Tax Policy Group

The members of the VIB Tax Policy Group support the work of our Association. They contribute their practical experience and engage in close professional dialogue with us. They support us in the tax department's ongoing projects and in recruiting new members for the VIB. They promote networking within the tax department and increase the visibility of VIB's activities in tax law.

Jan Becher
Global Tax Advisory Germany | Tax Advisor (Syndikus)
The Bank of New York Mellon SA/ NV Niederlassung Frankfurt

Daniel Beckert
Head of Tax Germany | Tax Advisor
J.P. Morgan SE

Franz Schober
Tax Manager Wealth & Products
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Further information on the VIB Tax Policy Group can be found on our Website:
https://vib.network/tax-policy-group

Office Team

The Office Team is available to assist members and anyone interested in VIB's topics. Please contact us via the central office phone or by email.

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Board

Overview of the VIB Board of Directors who were Elected by the Members on 1 July 2025.

Tobias Vogel
Chairman
Chief Executive Officer,
UBS Europe SE & Head of
Wealth Management Europe
UBS Europe SE

Jessica Kaffrén
Vice Chairwoman
Member of the Management Board,
Head of Operations,
Outsourcing and Technology
J.P. Morgan SE

Guido H. Zoeller
Vice Chairman
Member of the
General Management
Committee, Paris, and
Group Country Head
Germany & Austria
Société Générale S.A.

Frank Schönherr
Treasurer
Group Senior Country Officer
Germany
Crédit Agricole Corporate and
Investmentbank Deutschland

Jürgen Baudisch
CEO & Country Head
SEB Germany
SEB AB Frankfurt Branch

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Member of the Executive Board,
COO, CFO
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Dr Carsten Esbach
Chief Operating Officer
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BNP Paribas S.A.
Niederlassung Deutschland

Thomas Falk
Member of the Management Board,
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Bank Julius Bär
Deutschland AG

Stefan Hafke
Citi Country Officer &
Head Banking
Germany/Austria
Citigroup Global Markets
Europe AG

Eddy Henning
Member of the
Management Board/
Head of Wholesale Banking
Germany/Austria
ING Germany

Michael Holmes
Chief Financial Officer
Goldman Sachs
Bank Europe SE

Christopher F. Porter
Managing Director &
Regional Executive – Germany,
Switzerland, CEE & Israel
The Bank of New York Mellon –
Frankfurt Branch

Peter Rosenberger
Managing Director
China Construction
Bank Corporation
Niederlassung Frankfurt

Nicolo Salsano
Chief Executive Officer Europe
Chairman of the Management Board
Standard Chartered
Bank AG

Gamze Yalçin
Chief Executive Officer
İşbank AG

Imprint

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