

Introduction to the March 2026 Edition of International Banking Law and Rules

International Banking Law and Regulation is a comprehensive resource on international banking law and regulation. Authored by an international team of recognized experts in 60 jurisdictions, these specialists explore: local regulatory bodies and the banking system; chartering or licensing of banks within the jurisdiction; regulatory and supervisory rules for banks; banking reform legislation; international harmonization efforts; and local recognition of international banking standards. The March 2026 edition contains the following updated or revised chapters:

Chapter 6, Brazil	Chapter 26, Hungary
Chapter 27, India	Chapter 32, Italy
Chapter 62, Switzerland	Chapter 67, United States

Brazil

The most important recent developments in the Brazilian banking industry are as follows: (i) the new regulation on credit, finance, and investment companies (*financeiras*); (ii) the new regulation on securities brokerage and distribution companies; (iii) the IRS ruling determining that payment institutions and payment scheme participants (fintechs) are subject to the same rules as banks regarding money laundering obligations; (iv) the new provisioning rules affecting balance sheets of banks; (v) prudential requirements for risk management of financial conglomerates; and (vi) the current sustainable finance regulation in Brazil.

Hungary

Hungary's recent legislative trajectory has been shaped chiefly by the rollout of the new non-performing loan (NPL) framework, the application of the Markets in Crypto-Assets Regulation (MiCA), and the entry into force of the Digital Operational Resilience Act (DORA). Act XII of 2025 on Servicers and Purchasers of Non-Performing Credit Agreements—effective 16 May 2025—transposes Directive (EU) 2021/2167¹ and establishes a comprehensive regime for the transfer, management, and servic-

¹ Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU.

ing of NPLs. It removes prior licensing requirements for NPL purchasers while reserving servicing and enforcement to licensed credit servicers, enables operation by foreign servicers via passporting or locally supervised branches, and permits already-authorized lenders and NPL actors to continue servicing without additional authorization, thereby aligning Hungarian practice with EU standards and broadening investor participation. In parallel, MiCA (Regulation (EU) 2023/1114)² is fully in force from early 2025 and, in Hungary, is implemented by Act VII of 2024 on the Crypto-Asset Market. Following expiry of the transitional period on 1 July 2025, only MiCA-authorized crypto-asset service providers may lawfully operate; a July 2025 amendment created a “crypto-asset exchange validation service provider” category, under which crypto-fiat and crypto-crypto conversions are permissible only if validated by authorized providers.

DORA (Regulation (EU) 2022/2554)³ has applied since 17 January 2025, imposing harmonized ICT-risk governance, incident management, third-party risk, testing, and reporting obligations across the EU financial sector. To facilitate implementation, Hungary adopted Act X of 2024 (effective January 2025) to amend multiple financial statutes for legal harmonization and to introduce or refine provisions necessary for DORA’s effective application; the Hungarian National Bank complemented these changes with updated IT recommendations (1/2025. (I.13.) and 2/2025. (I.13.)). Together, the national adjustments and supervisory guidance aim to ensure operational resilience outcomes consistent with DORA’s objectives while providing institutions with a clarified domestic compliance pathway.

Looking ahead, significant further change is expected from the forthcoming Payment Services Directive III (PSD3)⁴ and the directly applicable Payment Services Regulation (PSR), the Capital Requirements Directive VI (CRD VI),⁵ and the Consumer

² Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets and amending Regulations (EU) Number 1093/2010 and (EU) Number 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

³ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) Number 1060/2009, (EU) Number 648/2012, (EU) Number 600/2014, (EU) Number 909/2014 and (EU) Number 2016/1011.

⁴ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on payment services and electronic money services in the Internal Market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC.

⁵ Directive (EU) 2024/1619 of the European Parliament and of the Council of

INTRODUCTION

Credit Directive II (CCD2).⁶ PSD3 will continue to be transposed into national law (including in Hungary), focusing on licensing and ongoing supervision of payment service providers, while the PSR—covering most bank-facing obligations—will apply directly; objectives include strengthened fraud mitigation, enhanced consumer rights, further market harmonization, and more robust enforcement, with Member States afforded an 18-month transposition window for PSD3. CRD VI (Regulation (EU) 2024/1619 as regards supervisory powers, sanctions, third-country branches, and ESG risks) must be transposed by 10 January 2026, with most governance and compliance requirements applying from 11 January 2026, and specific third-country branch/cross-border provisions becoming mandatory from 11 January 2027. CCD2 (Directive (EU) 2023/2225), published on 30 October 2023, substantially broadens the EU consumer-credit regime—covering creditor duties, tying/bundling, ancillary/advisory services, unsolicited offers, and conduct of business—and must be transposed by 20 November 2025 for application from 20 November 2026; Hungary has not yet published draft implementing legislation.

Italy

The chapter has been updated to reflect the AML Package which impacts the anti-money laundering and counter-terrorism financing regulations and will gradually enter into force in Member States between 2025 and 2029 (as of the time of this writing). Moreover, considering the importance that this aspect has in practice, we deemed it appropriate to clearly define and illustrate the difference between types of bank loans commonly used under Italian Law and namely, *mutuo fondiario* (a mortgage loan which includes any medium- or long-term loan granted by a bank and guaranteed by a first-degree lien on property(ies) whose value exceeds the amount of the loan by a certain percentage) and *mutuo solutorio* (a mortgage by which the sums disbursed are not actually made available to the borrower, but are instead used immediately to repay prior debts, often to the same credit institution that granted the loan).

Switzerland

The most significant development in the Swiss banking regulatory landscape in the last number of years has been the

31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks.

⁶ Directive (EU) 2023/2225 of the European Parliament and of the Council of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC.

merger of Credit Suisse Group AG and UBS Group AG in 2023, and the developments that followed. This has led to immediate changes, such as Credit Suisse client relationships being transferred to UBS as part of the full integration of the two banks and the discontinuation by the Swiss National Bank (SNB) of the publication of certain data broken down by category as Switzerland now only has one global systemically important bank.

On the legislative front, these developments have led to a flurry of activity, culminating in the Swiss government's publication of its Too Big to Fail Package in June 2025. The various measures will now go through the Swiss legislative process and, at the time of this writing, are expected to enter into force at various stages between 2026 and 2028. Most importantly, changes may include stricter capital requirements and the expansion of the liquidity provision via the SNB, the introduction of a senior manager responsibility regime for banks, and enhanced powers for FINMA that will allow for earlier and more effective intervention and the imposition of fines for the commission of offenses.

On the cross-border provision of financial services front, Switzerland has entered into an agreement with the United Kingdom on the mutual recognition in financial services, known as the Berne Financial Services Agreement. It mutually recognizes the equivalence of both countries' legal and supervisory frameworks in selected areas of the financial sector, including banking. It is expected (as of the time of this writing) that the agreement will enter into force in early 2026, with detailed operational guidance having been published by the financial regulatory authorities of both countries in November 2025.