Introduction to the August 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 August 2026 Edition contains the following updated or revised chapters:

Chapter 10, Chile	Chapter 14, Croatia
Chapter 15, Cyprus	Chapter 24, Greece
Chapter 50, The Philippines	Chapter 70, The Basel Concordat

Croatia

The primary legislative development in Croatian banking law is the enactment of a new Law on Credit Institutions (*Official Gazette*, Number 22/2026, "Law"), which entered into force on 13 March 2026, replacing the Law on Credit Institutions of 2013 that had been amended on eight occasions. The new Law governs the conditions for the establishment, operation, and cessation of credit institutions with their registered office in Croatia, the conditions under which legal persons with their registered office outside Croatia may provide banking and/or financial services in Croatia, the supervision of credit institution operations, consumer protection, and the imposition of administrative sanctions and offenses. The provisions relating to concentration risk management entered into force on 25 June 2026, and the provisions relating to the establishment of the European Single Access Point ("ESAP") are scheduled (at the time of this writing) to enter into force on 10 January 2030.

The Law transposes three directives amending Directive 2013/36/EU (CRD IV), namely: (i) Directive (EU) 2024/1619 regarding supervisory powers, sanctions, third-country branches and environmental, social and governance risks (CRD VI); (ii) Directive (EU) 2024/2994 regarding the treatment of concentration risk arising from exposures to central counterparties and counterparty risk for derivative transactions cleared by a central counterparty; and (iii) Directive (EU) 2023/2864 regarding the establishment and functioning of a European Single Access Point (the ESAP Directive).

The key substantive changes introduced by the new Law are as follows:

(i) ESG Risks. The provisions transposed from CRD VI aim to enhance the resilience of the banking system, strengthen the supervision of third-country branches, and integrate environmental, social and governance risks ("ESG risks") into the prudential framework for credit institutions. The inclusion of ESG risks is implemented through provisions requiring credit institutions to incorporate an analysis of ESG risks into their risk management strategies and processes, and through the National Bank's assessment of credit institutions' ESG risk governance and exposures.

(ii) Third-Country Branches. The Law introduces uniform rules and risk categorization for third-country branches, being branches established by a third-country credit institution for the purpose of providing banking services in a Member State of the European Union. The Law introduces a classification of third-country branches into Class 1 and Class 2, with differentiated endowment capital requirements applicable to each class.

(iii) Consumer Protection. The consumer protection provisions have been refined, notably regarding the provision of pre-contractual information, the disclosure and updating of variable interest rate parameters, and the delivery of annual notices. Credit institutions are now required to develop internal methodologies for determining the fee structure for services offered to consumers and to submit those methodologies to the National Bank.

(iv) Alternative Dispute Resolution. With a view to promoting the resolution of disputes between credit institutions and their clients through mediation or alternative dispute resolution, the Law obliges credit institutions to participate in mediation or alternative dispute resolution proceedings initiated by a consumer.

(v) Statutory Audit. Regarding the statutory audit of credit institutions, the same audit firm may now audit a particular credit institution for a maximum of ten consecutive years, extending the audit firm rotation period from seven to ten years.

(vi) Transitional Provisions. A bank that is registered in the court register and holds an authorization to provide banking and financial services is required, within one year of the entry into force of the Law, to align its registered business activities with the service names set out in the Law, in the manner prescribed in the table in Annex 1 to the Law. The court register will effect the registration on the basis of the bank's application, and no prior approval from the National Bank is required for such alignment.

Cyprus

The Cyprus banking sector is now materially stronger and more institutionally mature than it was during the 2013 crisis. Stronger capital and liquidity positions, together with the continued reduction of non-performing exposures, have improved the sector's resilience, although banks and supervisors remain attentive to asset-quality risks, geopolitical shocks, and prolonged higher financing costs.

The market is currently being shaped by consolidation, digital transformation, sanctions and AML compliance, cyber and operational resilience, and increasingly demanding governance standards. The integration of Hellenic Bank into the Eurobank group shows how scale, capital strength, execution capacity, and regulatory approval have become central features of the Cyprus banking landscape.

At the same time, risk has not disappeared, but it has changed in nature. Sanctions compliance, the 2026 Middle East conflict, and broader regional instability remain important external risk channels for Cyprus, particularly given their potential impact on tourism, services exports, and real-estate investment.

For legal advisers and market participants, the key point is that Cyprus banking law must now be understood within the broader European supervisory framework. Domestic legislation remains important, but it must be read alongside ECB supervision, directly applicable EU law, and evolving regulatory expectations.

Overall, the Cyprus banking sector is no longer defined primarily by crisis management. It is better understood as a regulated, consolidating, and increasingly Europeanized market in which legal structuring, supervisory engagement, and commercial timing are closely connected.

The Philippines

This Chapter includes a discussion of the latest updates to the Philippine Manual of Regulations for Banks (MORB) and the Philippine Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), as of 31 December 2023. Section 145 of the MORB was amended to include Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements for Islamic banks and Islamic banking units. In the alternative, Section

902-N of the MORNBFI was amended to incorporate transitory provisions for Virtual Asset Service Providers (VASPs) and the Central Bank of The Philippines-registered Virtual Currency Exchanges, requiring specific Certificates of Authority.

The update also contains information on the issuance of the Central Bank of The Philippines Circular No. 1218, Series of 2025, which amended Section 923 of the MORB and 923-Q of the MORNBFI. The Circular introduces stricter controls and enhanced due diligence (EDD) requirements for large value cash transactions exceeding P500,000.00. In this regard, the Central Bank of The Philippines?Supervised Financial Institutions shall adopt appropriate anti-money laundering/countering terrorism and proliferation financing (AML/CTPF) policies and procedures to strictly implement cash transaction limits and restrictions. This Circular reinforces safeguards to deter illicit use of cash and promote the integrity of The Philippines' financial system.

Lastly, this Chapter includes a discussion on the key salient features of Republic Act Number 12010, or the "Anti-Financial Account Scamming Act (AFASA)." The AFASA aims to safeguard and strengthen the Philippines' financial system and cybersecurity and further protect the public from cybercrime schemes and financial account scams. The AFASA defines and penalizes certain prohibited acts that constitute financial account scamming such as money muling activities, social engineering schemes (e.g., phishing), and economic sabotage.