

Financial Regulation: Weekly Update

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Highlights

1. BCBS issues consultation paper on the prudential treatment of crypto-assets
2. FSB publishes reports on financial stability implications of BigTechs
3. EBA publishes its action plan on sustainable finance
4. EMMI receives authorization for provision and administration of EONIA under BMR
5. OCC and FDIC consult on proposal to modernize the CRA

GLOBAL

■ BCBS issues consultation paper on the prudential treatment of crypto-assets

Seeks views on: i) features and risk [characteristics](#) of crypto-assets to consider in the design of a prudential treatment for banks' exposure, ii) general principles to design a prudential treatment. Deadline: Mar 13, 2020.

■ FSB publishes reports on financial stability implications of BigTechs

Considers financial stability implications from increasing offering of financial services by [BigTechs](#), and the adoption of cloud computing and data services across a range of functions at financial institutions.

■ CPMI and IOSCO issue report on cooperation between authorities to increase FMI safety and efficiency

Outlines ways in which financial authorities cooperate to promote safety and efficiency of [financial market infrastructures](#). Cooperation among authorities is evolving, and arrangements for specific FMIs are growing.

EUROPE

■ EBA publishes its action plan on sustainable finance

Outlines approach and timeline to deliver on its [ESG mandates](#). Initial focus on key metrics and disclosure to support banks' green strategies, and then look into evidence for any adjustments to risk weights. Encourages incorporation of ESG factors into risk management.

■ EMMI receives authorization for provision and administration of EONIA under BMR

It has been granted an [authorization](#) by the Belgian Financial Services and Markets Authority for the provision and administration of EONIA under Article 34 of the Benchmarks Regulation until Jan 3, 2022.

■ ESMA publishes briefing on recognition regime under benchmark regulation

It [clarifies](#) some aspects of the recognition application to assist benchmark administrators (located outside the EU) in building up their recognition applications in the EU.

- **ESMA issues final report on amendments to CRR standard on main indices and recognised exchanges**

Provides for a new [methodology](#) to ensure that indices comprise instruments that can be used as eligible collateral. Also ensures that the list of recognised exchanges is updated to reflect legislative or market structure changes.

- **ESMA publishes annual reports on penalties and supervisory measures**

Reports on supervisory measures and penalties imposed by NCAs during 2018 for: i) [EMIR](#) (highlights areas that could benefit from further coordination, ii) [UCITS](#) Directive (highlights continued work to foster convergence), iii) [MAR](#) (including administrative and criminal sanctions).

- **ESMA publishes feedback statement on responses to ELTIF consultation**

It has decided to [postpone](#) the finalization of the new RTS, due to the revision of the KIDs for PRIIPs. The report only includes a summary of the responses to the ELTIF consultation.

- **ESMA publishes peer review report on suspicious transactions and order reports under MAR**

Finds NCAs can do more to ensure all financial participants prevent [market abuse](#). It recommends measures to further supervision due to a significant increase in suspicious transaction and order reporting.

- **OJEU publishes regulation on climate transition benchmarks**

It [concerns](#) EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks. Entry into force: the day following publication in OJEU.

- **ESMA publishes double volume cap data**

It updates the public register with the [latest DVC](#) data and calculations under MiFID II for the Nov 1, 2018 - Oct 31, 2019 period.

- **ESMA updates its Q&A on Benchmarks Regulation**

It includes [questions](#) on the authorization process for administrators, and on transitional provisions.

SPAIN

- **CNMV publishes second report on non-banking financial intermediation (IFNB in Spanish)**

It analyses the activity of entities engaged in non-bank financial [intermediation](#) in Spain. The assessment of risks associated with IFNB shows that they do not pose a significant threat to financial stability.

- **CNMV amends *Circular* on liquidity contracts**

Sets [alternative](#) limit for maximum daily volume applicable to MAR firms and primary market firms with low liquidity. It eliminates restrictions on simultaneously maintaining purchase and sale orders for shares during auctions.

UNITED STATES

- **OCC and FDIC consult on proposal to modernize the CRA**

Seeks to increase activity in low/moderate income communities. It clarifies what qualifies for credit under [CRA](#), and create an additional definition of “assessment areas”. Deadline: 60 days from publication in the Federal Register.

▪ **CFTC approves rules on public rule-making and consults rules on swap regulation**

i) Final rule to [eliminate](#) provisions that establish procedures to formulate, amend, or repeal regulations. ii) Reopens consultation on rules for capital requirements for swap dealers and major swap participants. Deadline: 75 days from publication in the Federal Register. iii) Consults on rule with amendments to the swap clearing requirement exemption for inter-affiliate swaps. Deadline: 60 days from publication in the Federal Register.

▪ **OCC issues report on risk perspectives for federal banks**

The [semi-annual report](#) highlights: elevated operational risk, accumulated credit risk in many portfolios, increasing levels of interest rate risk, increased oversight over Libor transition, strategic risk from non-depository institutions.

▪ **OCC releases CRA evaluations for 22 national banks and federal savings associations**

Updates CRA performance [evaluations](#) for 22 national banks and federal savings associations examined during Nov 2019. 12 are rated satisfactory, and 10 are rated outstanding.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Climate Change: Tempus Fugit*. September 2019.
- [Press Article](#). *The Banking union: something's at play*. November 2019.

Previous edition of our Weekly Financial Regulation Update in [English](#)

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