

# Financial Regulation: Weekly Update

Matías Cabrera, Inés Criado, Arturo Fraile, Hamza Jebari, Salvador Portillo, Ana Rubio, Victoria Santillana, Pilar Soler

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## Highlights

1. EBA publishes inquiry into dividend-arbitrage schemes
2. EBA updates data on Deposit Guarantee Schemes across the EU
3. BdE issues statement on the moratoria on mortgage debt and unsecured loans
4. US agencies issue interagency policy statement on credit losses and credit risk systems
5. FDIC approves rule on deposit insurance assessment and participation in PPP, PPPLF and MMLF

## EUROPE

### ■ EBA publishes inquiry into dividend-arbitrage schemes

National authorities do not share the same understanding of these [schemes](#) due to different national tax regimes. The report sets out expectations for institutions and national authorities and a 10-point action plan for 2020/21.

### ■ EBA updates data on Deposit Guarantee Schemes across the EU

It [shows](#) that 28 out of the 37 DGSs in EU Member States had increased their funds since 2018, and the target level of 0.8% of covered deposits, to be attained by July 2024, had been achieved by 18 of the 37 DGSs in the EU.

### ■ ESMA issues report on Collateralized Loan Obligations credit ratings in the EU

[It provides](#) an overview of CLO rating practices and identifies the main supervisory concerns, which include internal organization of CRAs, their interactions with CLO issuers and commercial influence on the rating process.

### ■ ESMA publishes double volume cap data

It updates the public register with the [latest DVC](#) data and calculations under MiFID II for the Apr 1, 2019 - Mar 31, 2020 period.

## SPAIN

### ■ BdE issues statement on the moratoria on mortgage debt and unsecured loans

It includes the available information on the application of a legislative [moratorium](#) on mortgage debt and the temporary suspension of obligations arising from non-mortgage loans up to Apr 30 as a result of the COVID-19.

## UNITED KINGDOM

- **BoE issues policy statements on credit risk**

It provides [feedback](#) to responses to previous consultation paper on Credit risk and its probability of default and loss given default estimation, and updates the IRB and standard approaches on credit risk.

## UNITED STATES

- **Agencies issue interagency policy statement on credit losses and credit risk systems**

Statement to promote [consistency](#) in the application of the accounting standards introducing the CECL methodology. It describes the measurement of expected credit losses, and updates concepts and practices detailed in existing supervisory guidance.

- **FDIC approves rule on deposit insurance assessment and participation in PPP, PPPLF and MMLF**

It seeks to ensure that banks will not be subject to significantly higher [deposit insurance assessments](#) for participating in the Paycheck Protection Program, the Paycheck Protection Program Lending Facility and Money Market Mutual Fund Liquidity Facility.

- **FRB issues updates to the term sheets for the MLF and the TALF**

The update to the term sheet for the [Municipal Liquidity Facility](#) provides pricing and other information, and announces additional information on borrower and collateral eligibility criteria for the [Term Asset-Backed Securities Loan Facility](#).

- **Agencies issue an extension of two resolution plan deadlines**

It extends the deadline for [resolution plans](#) from some banks with previous shortcomings (Sep 29) and for targeted resolution plans from large foreign and domestic banks in Category II and III of the Agencies' large bank regulatory framework (Sep 29, 2021).

- **CFPB issues remittance rule, and a statement on responsibility of financial firms during this crisis**

The [Remittance](#) Rule imposes disclosure requirements on entities that send international money and remittance transfers on behalf of consumers. In the [statement](#), it outlines the billing error responsibilities of credit card issuers and other open-end non-home secured creditors during the pandemic. It includes FAQs with focus on changing account terms without advance notice and existing regulatory flexibilities for open-end credit.

### Recent publications of interest (in English and Spanish):

- [Press Article](#). *The regulatory response to COVID-19*. April 2020.
- [Press Article](#). *The unknowns of the financial transactions tax*. March 2020.
- [Press Article](#). *Sustainable finance: "I'm late, I'm late, I'm late!"* March 2020.

- [Press Article](#). *Central Bank Digital Currencies: the cross border dimension*. March 2020.

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

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## This report has been produced by

### Head of Financial Regulation

Ana Rubio  
arubiog@bbva.com

Arturo Fraile  
arturo.fraile@bbva.com

Victoria Santillana  
mvictoria.santillana@bbva.com

Matías Daniel Cabrera  
matiasdaniel.cabrera@bbva.com

Pilar Soler  
pilar.soler.vaquer@bbva.com

Hamza Jebari Serroukh  
hamza.jebari@bbva.com

Salvador Portillo  
salvador.portillo@bbva.com

Inés Criado  
ines.criado@bbva.com