

# Financial Regulation: Weekly Update

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## Highlights

1. EBA publishes preliminary assessment of the impact of COVID-19 in the EU banking sector
2. NGFS releases two reports aimed at better management of climate-related and environmental risks
3. BIS publishes a report on AML & cyber resilience measures
4. EBA issues its guidelines on loan origination and monitoring
5. European Commission consults on proposal for a regulation on investment protection and facilitation framework

## GLOBAL

### ■ NGFS releases two reports aimed at better management of climate-related and environmental risks

A Guide for Supervisors to [integrate](#) climate-related and environmental risks into prudential supervision and a document about working with green, non-green and brown financial assets and potential risk differentials.

### ■ BIS publishes a report on AML & cyber resilience measures

It [outlines](#) i) official responses to the increasing levels of financial crime during the lockdown and to strengthening financial institutions' cyber resilience, ii) the main AML measures taken by selected authorities worldwide.

### ■ IOSCO consults on outsourcing principles to ensure operational resilience

It requests [feedback](#) on proposed updates to its principles that set out expectations for regulated entities that outsource tasks to service providers, along with guidance for implementation. Deadline: Oct 8, 2020.

## EUROPE

### ■ EBA publishes preliminary assessment of the impact of COVID-19 in the EU banking sector

[Banks](#) entered the crisis with sound capital and liquidity positions. The crisis is expected to affect asset quality and profitability. Nevertheless, banks' capital position should allow them to withstand the potential credit risk losses.

### ■ EC consults on proposal for a regulation on investment protection and facilitation framework

The [initiative](#) aims at clarifying and modernizing EU rules protecting intra-EU investments. It also aims at introducing measures to facilitate and promote cross-border investments in the EU. Deadline: Sept 8.

- **EBA issues its guidelines on loan origination and monitoring**

It expects institutions to develop robust and prudent standards to ensure [originated loans](#) are assessed properly and institutions' practices are aligned with consumer protection rules and respect fair treatment of consumers.

- **ESMA consults on availability and use of credit rating information and data**

It [aims](#) to map the principal activities undertaken by users in which credit ratings are required as input and identifies specific ratings data needs and how the needs correspond with the information currently provided. Deadline: Aug 3.

- **ESMA updates its Q&As on MIFID II, EMIR and Securitization Regulation**

The Q&A on [Securitization](#) clarifies templates contained in the draft technical standards on disclosure, the [EMIR](#) Q&A provides clarifications on reporting of OTC derivatives by a financial and non-financial counterparty, and the Q&A on [MIFID II](#) includes topics on the implementation of investor protection under MiFID II/ MiFIR.

- **EBA issues opinion on French macroprudential authority macroprudential risk measures**

The measure aims to [safeguard](#) institutions from excessive risk-taking and to prevent the build-up of vulnerabilities by tightening, for French G-SIIs and O-SIIs, the large-exposure limits applicable to large and highly indebted NFCs.

## UNITED KINGDOM

- **FCA issues proposals to help mortgage customers due to COVID-19**

It outlines the options firms will be required to provide [mortgages customers](#) coming to an end of a moratoria, as well as those who are yet to request one. More favorable forms of assistance to the customer are allowed.

- **BoE updates its Contingent Term Repo Facility**

1-month term [CTRF](#) operations on a weekly basis will be continued at least through June 2020 and can also be rapidly reintroduced if justified by market conditions and the Bank will continue to monitor market conditions closely.

- **FCA consults on additional guidance for payments firms**

The [guidance](#) is part of a broader program of work that it was planning to consult on during the year, to set out its expectations for the payments sector and to strengthen the way they look after customers' money. Deadline: Jun 5.

- **BoE issues policy statement on Solvency II**

It provides feedback to responses to a previous consultation on its expectations for investment by firms in accordance with the [Prudent Person Principle](#), making some amendments with respect to the proposal.

## UNITED STATES

- **OCC issues 3Q20 and 4Q20 CRA evaluation schedule**

They present the list of national [banks and federal savings](#) associations selected for CRA evaluation for the third and fourth quarter of 2020.

- **FDIC extends comment period on proposal for industrial banks and industrial loan companies**

Proposal on the organization or acquisition of [industrial banks](#) by companies not supervised by the FRB. It seeks to ensure the sound operation of industrial banks by formalizing a supervisory framework. New deadline: Jul 1, 2020.

- **CFTC issues statement on commodity ETPs and Funds**

A [customer advisory](#) that informs the public about the risks associated with some trading vehicles that use futures contracts or other commodity interests as they make investment decisions during the COVID-19 pandemic.

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

- [Press Article](#). *The sustainable opportunity brought by the Covid-19*. May 2020.
- [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.

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

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