

Financial Regulation: Weekly Update

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Highlights

1. FSB issues report on financial stability implications and measures of the COVID-19 pandemic
2. CPMI issues report on cross-border payments
3. EBA publishes phase 2 of its technical package on reporting framework
4. EBA issues opinion on the European Commission's consultation on a Renewed Sustainable Finance Strategy
5. FCA issues guidance for payment and e-money firms

GLOBAL

■ FSB issues report on financial stability implications and measures of the COVID-19 pandemic

It [highlights](#) a credit provision has held up, an increase in bank lending to non-financial corporates, capital markets have remained open and enabled firms to raise financing but with a broad-based reduction in corporate earnings.

■ CPMI issues report on cross-border payments

The [report](#) sets out the necessary elements to address problems with the high costs, low speed, limited access and insufficient transparency of cross-border payments, highlighted by an FSB report published in April.

■ Monitoring Group issues recommendations on audit and ethics standard-setting system

It aims to achieve a multi-stakeholder [standard-setting](#) system and reinforce the consideration of the public interest process with an independent oversight and standard-setting guided by the Public Interest Framework.

EUROPE

■ EBA publishes phase 2 of its technical package on reporting framework

It provides technical specifications for the implementation of EBA [reporting requirements](#) and minor amendments the validation rules, the Data Point Model dictionary and XBRL taxonomies for funding and resolution planning.

■ EBA issues opinion on EC's consultation regarding a Renewed Sustainable Finance Strategy

Supports the [sustainable finance](#) agenda and the need of ESG considerations, asking for internationally consistent disclosures based on a comprehensive taxonomy that promotes market discipline and investor protection.

■ **EBA updates the 2019 list of closely correlated currencies**

The [list](#) is part of the ITS that were drafted for the purposes of calculating the capital requirements for FX risk according to the standardized rules.

■ **ESMA presents CCP stress test results, transparency calculations and reports on MiFIR transparency**

i) The [stress test](#) confirms the overall resilience of EU CCPs to common shocks and multiple defaults for credit, liquidity and concentration stress risks (no systemic risks identified). ii) Results of [annual transparency](#) calculations for non-equity instruments (applicable from Sep 15), including liquidity assessment. iii) Two reports reviewing provisions of the [MiFID II/MiFIR](#) transparency regime (regarding equity instruments, trading venues, DVC mechanism, and the provisions applicable to systematic internalisers in equity and non-equity instruments).

■ **ESMA issues opinion on ancillary activities and guidelines on disclosure under Prospectus Regulation**

i) Opinion on ancillary activity calculations that provides the estimation of the market size of [commodity derivatives](#) and emission allowances for 2019. ii) Guidelines on disclosure providing guidance to market participants on the relevant [disclosures](#) required under the Prospectus Regulation.

■ **EIOPA clarifies supervisory expectations on product oversight and governance requirements**

To ensure the continuing fair treatment of customers in light of COVID-19, the [insurance sector](#) is asked to: identify their affected products, assess unfair treatment of customers and consider proportionate remedial measures.

SPAIN

■ **BdE consults on draft *Circulares* on several subjects**

i) [Circular](#) establishing the information on conduct to be prepared and submitted by the supervised institutions. Deadline: 17 July. (ii) [Circular](#) to payment institutions and e-money institutions, on public and private financial reporting standards. Deadline: 23 July.

■ **BdE issues *Circular* on advertising of banking products and services**

It updates the [regulatory framework](#) for advertising of banking and services products, especially on advertising in digital media and social networks, in order to strengthen the institutions' conduct toward their customers.

■ **Spanish Government issues proposal on governance of listed companies**

It aims to promote the [long-term involvement](#) of shareholders in listed companies, with measures to facilitate the access of Spanish companies to capital markets and contribute to their sustainability and capacity to create jobs.

UNITED KINGDOM

- **FCA issues guidance for payment and e-money firms**

The [guidance](#) clarifies ways that firms can comply with the regulations, aiming to strengthen firms' prudential risk management and arrangements for safeguarding customers' funds in this period of economic stress.

- **PRA consults on its update to the SM&CR forms**

It asks for [feedback](#) on its proposals to make minor amendments to the PRA Rulebook, notifications form and Manager & Certification Regime form L. Deadline: Oct 13, 2020.

UNITED STATES

- **SEC consults on proposal to amend the reporting threshold for institutional investment managers**

The [proposal](#) updates the reporting threshold reflecting the current market value of U.S., including adjusted thresholds that would provide relief to smaller managers. Deadline: 60-day after publication in the Federal Register.

- **CFPB issues report on debt settlements and credit counseling and report on credit builder loan**

i) The [report](#) documents changes over time in how consumers have used debt relief options for unsecured debt. ii) The report indicates that a [credit builder loan](#) could increase the likelihood of establishing a credit record for consumers without one (improving their credit scores).

- **OCC launches project to promote financial inclusion through greater access to credit and capital**

It brings together [leaders](#) from the banking industry, national civil rights organizations, business, and technology to identify and reduce barriers that prevent full, equal, and fair participation in the nation's economy.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *The Coronavirus: an unexpected ally of digitization*. June 2020.
- [Press Article](#). *European action plan AML & FT*. June 2020.
- [Press Article](#). *The sustainable opportunity brought by the Covid-19*. May 2020.
- [Press Article](#). *The unknowns of the financial transactions tax*. March 2020.

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

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