

Financial Regulation: Weekly Update

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Highlights

1. FSB issues report on effective practices for cyber incident responses and recovery
2. EBA issues opinion on legacy instruments
3. IFRS Foundation launches a consultation on global sustainability standards
4. BdE issues work plan and strategic priorities for 2020-2024
5. US Agencies issue rule on the regulatory treatment of investments in TLAC instruments issued by G-SIBs, and final rule implementing the NSFR

GLOBAL

■ FSB issues report on effective practices for cyber incident responses and recovery

[Encourages](#) authorities and organizations to use a toolkit that includes 49 practices for effective cyber incident response and recovery for the smooth functioning of the financial system and in engendering financial stability.

■ IFRS Foundation launches a consultation on global sustainability standards

It aims at assessing demand for [global sustainability standards](#). If demand is strong they will evaluate whether and to what extent the Foundation might contribute to the development of such standards. Deadline: Dec 31, 2020

EUROPE

■ EBA issues opinion on legacy instruments

In view of the ending of the [grandfathering](#) period, proposes policy options to address the potential infection risk stemming from these instruments and with the objective of ensuring a high quality of capital for EU institutions.

■ EBA issues opinion on macroprudential measures taken by the Swedish FSA

It does not object to the [measure](#) the Swedish FSA intends to apply to credit institutions adopting the IRB approach in order to enhance its resilience to potential severe downward corrections in residential real estate markets.

■ EIOPA issues third annual European Insurance Overview

The [overview](#) supports the supervisory community and industry with relevant data at European level. The focus of the 2019 overview is on: i) life market; ii) non-life market; iii) solvency and capitalization; and iv) investments.

ESPAÑA

■ **BdE issues work plan and strategic priorities for 2020-2024**

It Focuses on [five pillars](#): (i) Central bank policies; (ii) long-term trends in the Spanish economy; (iii) risks and opportunities from the international markets; (iv) heterogeneity of individuals and firms; and (v) new technologies.

UNITED KINGDOM

■ **BoE consults on the transposition of the Capital Requirements Directive (CRD) V**

It [covers](#), among others: i) authorization and supervision of holding companies, ii) interest rate risk in the banking book, iii) capital buffers, iv) maximum distributable amount and v) Pillar 2 requirements. Deadline: Nov 17, 2020.

■ **UK Treasury consults on its future regulatory framework**

It seeks [feedback](#) on how the UK regulatory framework for financial services should adapt following Brexit in order to achieve an agile and coherent approach. Deadline: Jan 19, 2021.

UNITED STATES

■ **Agencies issue rule on the regulatory treatment of investments in TLAC instruments issued by G-SIBs**

It seeks to reduce [interconnectedness](#) within the financial system and contagion risks associated with the failure of a GSIB by requiring the bank to deduct investments in other firms' TLAC debt. Effective date: Apr 1, 2021.

■ **Agencies issue final rule for the NSFR**

The calibration of the [requirement](#) will depend on the size and complexity of the bank, with reduced calibrations for banks with lower risk profiles (compared to firms subject to the full NSFR requirement). Effective date: Jul 1, 2021.

■ **FDIC consults on interim final rule that provides relief on audit and reporting requirement**

[Interim final rule](#) to provide relief to IDIs that experienced temporary growth due to participation in stimulus activities such as the PPP. Deadline: 30 days after publication in the Federal Register.

■ **CFTC and BoE sign MoU for supervision of cross-border clearing organizations**

It seeks to [strengthen](#) the relationship between the regulators. It shows the interest of fulfilling their respective regulatory mandates, particularly in preserving the benefits of cross-border clearing activity.

■ **CFTC and SEC issue final rule on security futures margin and consult on portfolio margining**

i) Rule to [harmonize](#) the minimum margin level for security futures held in future accounts and future portfolio margin accounts. ii) Consultation on the portfolio margining of uncleared SWAPs and non-cleared securities SWAPs. Deadline: 30 after publication in the Federal Registry.

■ **CFTC issues advisory on Futures Commission Merchants (CFM)**

It provides [guidance](#) on how to report certain deposited virtual currency from customers related with physically delivered futures contracts or swaps, as well as design risk management programs.

■ **CFPB issues final rules on extending Government-Sponsored Enterprise (GSE) patch**

The [bureau](#) is taking steps to ensure a smooth and orderly transition away from the GSE Patch and to maintain access to responsible, affordable mortgage credit upon its expiration to consumers.

■ **CFPB consults on consumer access to financial records**

It seeks views on how to efficiently [develop regulations](#) to implement Dodd-Frank Act's provisions which provide for consumer rights to access financial records. Deadline: 90 days after publication in the Federal Register.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Procyclical financial regulation: What can be done? (page 25)*. October 2020
- [Press Article](#). *Europe | One step closer to the Capital Markets Union*. October 2020
- [Press Article](#). *The Banking Union in times of Covid (page 85)*. September 2020
- [Press Article](#). *The Coronavirus: an unexpected ally of digitization*. June 2020.

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

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