

Financial Regulation: Weekly Update

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December 04, 2020

Highlights

1. EBA reactivates the guidelines for legislative and non-legislative moratoria
2. EBA issues final draft technical standards for FRTB framework
3. EC issues a communication providing interpretations of BRRD 2 and SRMR 2
4. SRB publishes its multiannual working program for 2021-2023
5. BdE updates the list of systemically important institutions

GLOBAL

■ IOSCO issues consultation on market data in equity markets

Seeks [feedback](#) regarding issues and concerns related to access to market data in secondary equity markets. Deadline: Feb 26, 2021.

■ FATF issues consultation on cross-border payments

[Seeks](#) feedback on challenges for cross-border payment services such as high costs, limited access, low speed and insufficient transparency to address them without compromising AML safeguards. Deadline: Jan 15, 2021.

EUROPE

■ EBA reactivates guidelines on legislative and non-legislative moratoria

[Ensures](#) that additional loans will benefit from payment moratoria by extending the current deadline for its application until Mar 31, 2021. Two new constraints have been introduced by EBA as part of this reactivation.

■ EBA issues final draft technical standards for FRTB framework

Sets out the [method](#) for institutions to calculate their own funds requirements for foreign-exchange and commodity risk stemming from banking book positions, under the FRTB standardised and internal model approaches.

■ EC issues communication on the interpretation of the BRRD 2 and the SRMR 2

Seeks to clarify certain [legal provisions](#) regarding the interpretation of the revised bank resolution framework following a set of questions issued by Member States.

■ SRB publishes its multiannual working program for 2021-2023

Sets out its [roadmap](#), focused on: i) achieving resolvability, and a robust bank resolution of the banks under its remit; and ii) further operationalize the Single Resolution Fund.

- **EIOPA consults on a methodology for integrating climate change in Solvency II standard formula**

It proposes different methodological steps and process changes to [integrate](#) climate change in the calculation of natural catastrophe risk. Deadline: Feb 26, 2021.

SPAIN

- **BdE updates the list of systemically important institutions**

Conducts an [annual review](#) of institutions that will be identified as “global systemically important institutions” in 2022 and as “other systemically important institutions” in 2021, establishing their associated capital buffers.

UNITED KINGDOM

- **PRA issues statement on upcoming CRD V Policy**

It [explains](#) when to expect further information on the PRA’s approach to transposing CRD V, including its approach to revisions to the definition of capital for Pillar 2A. Final publication is expected by mid-December.

- **PRA issues policy statement on Solvency II technical information**

[Proposes](#) an approach to the publication at the end of the transition period for the technical information. Furthermore, it contains its final policy in Statement of Policy (SoP). Effective date: Dec 31, 2020.

- **PRA consults on proposed rules for regulatory transaction fees for holdings**

[Asks for feedback](#) on the proposed rules in respect of regulatory transaction fees for applications for approval or exemption as a holding company, which are planned to be implemented on Mar 1, 2021. Deadline: Jan 8, 2021.

UNITED STATES

- **Agencies issue statement on LIBOR transition**

[Encourages](#) banks to cease entering into new contracts that use USD LIBOR as reference rate as soon as possible (and no later than Dec 31, 2021), in order to facilitate an orderly, safe and sound LIBOR transition.

- **CFTC announce MoU with CONSOB for supervision of cross-border firms**

The [agreement](#) signed with the Italian agency, seeks to enhance cooperation and information exchange in supervision and oversight of regulated firms that operate on a cross-border basis in the United States and in Italy.

- **CFTC issues No-action relief for SEFs regarding certain reporting requirements**

Extends previously provided [no-action relief](#) to swap execution facilities (SEFs) from the timing requirements to file fourth-quarter financial reports. New deadline: Nov 30, 2021.

- **CFPB approves “Advisory Opinions Policy” and two new advisory opinions**

[Allows](#) entities to submit a request to the Bureau to clarify regulation requirements. Also provides advisory opinions on earned wage access (EWA) products and expands the definition of “private education loan” for Z regulation.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Procyclical financial regulation: What can be done?* 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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