

Financial Regulation: Weekly Update

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Highlights

1. EBA issues consultation on guidelines for the Intermediate Parent Undertaking requirements under CRD V
2. EBA issues a report on asset encumbrance
3. FSB sets out its work program for 2021
4. ESAs issues final draft ITS for reporting templates under FICOD
5. European Commission and ECB issue a joint statement on digital euro

GLOBAL

■ FSB sets out 2021 work program

[Reflects](#) its priorities: i) COVID-19 environment; ii) NBFIs; iii) resilience and resolvability of CCPs; iv) cross border payments; v) climate change and sustainable finance; and vi) benchmarks and cyber and operational resilience.

EUROPE

■ EBA consults on guidelines for the Intermediate Parent Undertaking requirements under CRD V

Defines the [methodology](#) to calculate the total value of assets in the UE for third-country groups (as an average of the last four quarters) and clarifies how to monitor this requirement. Deadline: Mar 15, 2021.

■ EBA issues report on asset encumbrance

Asset encumbrance [increased](#) in 2020, mainly due to the use of the central bank facilities amid the COVID-19 crisis. The report calls for special attention of supervisors to the increased reliance on central bank funding.

■ ESAs publish final ITS on reporting templates under FICOD

Seeks to harmonize [reporting templates](#) for intra group transactions and risk concentration, providing one single set of templates with common definitions and instructions.

■ EC and ECB issue joint statement on digital euro

Ensuring a [strong digital finance](#) sector and a well-integrated payments sector, they are performing a technical review of a broad range of policy, legal and technical issues emerging from a possible introduction of a digital euro.

■ ESMA updates its guidelines on written agreements between CCP college members

[Ensures](#) common, uniform and consistent application of the RTS on CCP colleges and of Articles 18 and 19 of EMIR. It seeks to establish a standard written agreement to support the smooth functioning of a CCP college.

- **SSM updates its list of supervised significant entities**

Updates the [list](#) of significant entities directly supervised by ECB to 115, as well as the list of less significant entities that are indirectly supervised. The cut off date for changes was last Dec 1, 2020.

SPAIN

- **CNMV issues consultation on ESI, SGIIC and SGEIC accounting standards**

The main purpose of the [project](#) is to approve a new regulatory framework in such a way that the applicable accounting principles, criteria and standards correspond to those of the general accounting law.

UNITED KINGDOM

- **PRA publishes its stress test scenario for 2021**

It will assess the major banks against a [UK and global scenario](#) reflecting a severe path for the current macro outlook (i.e. whether capital buffers are large enough to deal with how the prevailing stress could unfold).

- **PRA consults on depositor protection**

Proposes [new rules](#) regarding timing of identity verification required for eligibility of depositor protection, as well as amendments to the PRA's expectations in respect of Insolvency Practitioners. Deadline: Feb 15, 2021.

- **FCA issues report on consumer protection**

It presents the ways in which the agency works to [protect consumers](#) from investment harm by stopping and disrupting potentially harmful firms and activities (measures were taken during the first 10 months of 2020).

- **FCA and PRA consult on Management Expenses Levy Limit (MELL) for the FSCS**

Proposes a [MELL](#) of £105.5 million for the Financial Services Compensation Scheme during the 2021/2022 period. Deadline: Feb 19, 2021.

- **PRA issues policy statement on the SM&CR framework to strengthen accountability**

Provides [amendments and updates](#) to previous consultation paper that proposed minor amendments to the notification form. Effective date: Jan 22, 2021.

UNITED STATES

- **Agencies issue final rule on supervisory guidance**

The rule provides clarifications on the differences between regulations and guidance. Effective date: 30 days after its publication in the Federal Register ([OCC](#), [FDIC](#), [CFPB](#)).

- **Agencies issue Q&A on AML considerations**

[Clarifies](#) AML requirements in order to assist financial institutions with their compliance obligations and enable them to focus resources. FAQs do not alter existing AML requirements, nor new supervisory expectations.

■ **FRB issues rule to update Board's capital planning requirements**

In a change from the proposal, the [final rule](#) applies capital planning requirements to large savings and loan holding companies that are not predominantly engaged in insurance or commercial activities.

■ **CFTC extends certain No-Action relief in response to COVID-19**

Extends [reliefs on](#): i) Oral Communications Recordkeeping, expiration date: Mar 31, 2021; ii) Introducing Broker Registration and Location Requirements for Floor Brokers; iii) DCMs; and iv) Registrants and Members of Swap Execution Facilities, and Designated Contract Markets (DCMs). Expiration dates: Apr 15, 2021.

■ **CFPB issues rule on higher-priced mortgage loan escrow exemption**

[Exempts](#) certain insured depository institutions and insured credit unions from the requirement to establish escrow accounts for certain higher-priced mortgage loans. Effective date: upon publication in the Federal Register.

Recent publications of interest (in English and Spanish):

- [Interview](#). *Post COVID-19 regulation is key for economic recovery*. January 2021.
- [Press Article](#). *Financial regulation in 2020: At key points... regulators face risks*. January 2021.
- [Press Article](#). *Procyclical financial regulation: What can be done?* October 2020.
- [Press Article](#). *Europe | One step closer to the Capital Markets Union*. October 2020

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

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