

Financial Regulation: Weekly Update

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Highlights

1. ECB issues a statement on a common stance on sustainable investments
2. EBA consults on ITS on supervisory disclosure under Investment Firms Directive
3. SRB publishes its Q3 2020 MREL dashboard
4. BdE and CNMV issue a joint statement on investment risks from cryptocurrencies
5. FRB extends rule to enforce Paycheck Protection Program

EUROPE

■ ECB issues statement on a common stance on sustainable investments

[The Eurosystem](#) central banks agree on sustainable investment principles for their euro-denominated non-monetary policy portfolios. It aims to start making annual climate-related disclosures within the next two years, using the recommendations of the Task Force on Climate-related Financial Disclosures.

■ EBA consults on ITS on supervisory disclosure under Investment Firms Directive

It seeks [feedback](#) on the new prudential requirements that NCAs will be required to disclose publicly for all types of investment firms authorised under MiFID. Deadline: May 11, 2021.

■ SRB publishes its Q3 2020 MREL dashboard

It [highlights](#) an increase in the BRRD 1 MREL target measured in TREA (due to increases in TLOF), but a reduction in the MREL shortfall. The cost of debt stabilized and approached pre-pandemic levels in Jan 2021.

■ SSM updates its list of supervised significant entities

[The list](#) of significant entities directly supervised by ECB remains at 115, and updates the list of less significant entities that are indirectly supervised. The cut-off date for changes was last Jan 1, 2021.

■ EIOPA issues Q3 2020 risk dashboard

[Results](#) show that insurers' exposures to macro risks decreased, while all other risk categories remain unchanged. They foresee an increase in credit, market and underwriting risks over 2021 due to new waves lockdowns.

SPAIN

■ BdE and CNMV issue joint statement on investment risks from cryptocurrencies

It highlights the [risks](#) posed by these instruments given their extreme volatility, complexity and lack of transparency. It mentions some factors to take into account when investing in these assets: (lack of) regulatory sphere, complexity, price setting and liquidity, its use as means of payment, the possibility of theft or scams.

■ **CNMV issues supervisory priorities of stock issuers annual accounts**

Common [priorities](#) agreed by ESMA and EU NCAs for the financial statements 2020 focused on company principle in operation, transparency on judgments and significant estimates and criteria for presentation of impacts of Covid.

UNITED KINGDOM

■ **FCA issues recommendations to reduce consumer harm from failed technology changes**

The [report](#) intends to support discussion on how to reduce the frequency and severity of disruption due to technology change activity, evaluating how firms implement these changes and how they can protect consumers.

■ **PRA issues statement on benchmarking of internal models**

Aims to provide greater [clarity](#) to entities in the scope of the exercise. It encourages entities to report credit and market risk with the draft implementing standards. In contrast, firms are not required to submit IFRS 9 data.

UNITED STATES

■ **FRB extends rule to enforce Paycheck Protection Program (PPP)**

The [rule](#) allows banks to continue to make PPP loans to a broad range of small businesses within their communities. It applies to PPP loans made through March 31, 2021.

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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