

# Financial Regulation: Weekly Update

Matías Cabrera, Inés Criado, Arturo Fraile, Salvador Portillo, Ana Rubio, Victoria Santillana, Pilar Soler, Víctor Tarriás

April 23, 2021

## Highlights

1. EBA updates the list of O-SIIs
2. ECB issues its targeted review of internal models (TRIM)
3. European Commission adopts a delegated regulation on stay clauses under BRRD
4. BCBS issues its work program and strategic priorities for 2021-2022
5. BoE and HM Treasury issue a joint statement on Central Bank Digital Currency

## GLOBAL

### ■ BCBS issues its work program and strategic priorities for 2021-2022

[Priorities](#) include ongoing “Covid-19” initiatives, assessing emerging risks, vulnerabilities and structural trends to the global banking system, increasing supervisory cooperation and monitoring the implementation of Basel III.

## EUROPA

### ■ EBA updates the list of O-SIIs

List of banks identified as [systemically important](#) by the relevant authorities following the criteria from the EBA's guidelines. Based on end-2019 data, reflects scores and the corresponding capital buffers that have been set.

### ■ ECB issues its targeted review of internal models (TRIM)

The [review](#) checks that banks comply with rules and implement internal models consistently, resulting in €275 bn (12%) increase in RWAs over the last three years. TRIM reduced non-risk-based variability of models' output.

### ■ EC adopts delegated regulation on stay clauses under BRRD

It formally adopts the RTS under [Art 71a BRRD 2](#), on the contractual recognition of stay powers. Entry into force: 20 days after publication in OJEU.

### ■ EIOPA issues an opinion on the supervision of climate change scenarios in the ORSA

It sets out its [expectations](#) on the supervision of the integration of climate change risk scenarios by insurers in their Own Risk and Solvency Assessment (ORSA).

## SPAIN

- **CNMV issues a circular on accounting rules, annual financial statements, ESIs, SGIIC and SGEIC**

Replaces former [Circular](#) and develops the accounting regime of certain entities subject to the supervision of the CNMV as well as the Standards for the formulation of consolidated annual accounts. Effective date: Apr 23, 2021.

## UNITED KINGDOM

- **BoE and HM Treasury issue a joint statement on Central Bank Digital Currency (CBDC)**

It announces the creation of a [taskforce](#) to assess the issuance of a digital currency (a decision has not yet been made). It also creates two forums to consult stakeholders on technology and non-technology aspects of a CBDC.

- **BoE issues a policy on omnibus accounts in RTGS**

It seeks to support industry innovation by including [omnibus accounts](#) into its Real-Time Gross Settlement (RTGS) service.

- **BoE issues a statement on the regulatory treatment of retail residential mortgage loans**

Updates former [statement](#) issued in 2013 in order to provide information on capital, notification, disclosure and reporting requirements for loans under the Mortgage Guarantee Scheme, as set out in the relevant UK legislation.

- **BoE issues a document on public disclosure on Solvency II**

[Aims](#) to foster a uniform level of transparency and accountability between supervisors. It focuses on supervisory disclosures and PRA's supervisory approach and insurance regulations applicable in UK year-end 2019.

- **PRA and FCA issue a statement on remuneration Benchmarking and High Earners reporting templates**

Taking into consideration the issues regarding some of the updated reporting [templates](#), they have decided to postpone its implementation and continue using current templates for the submission of 2020 data.

## UNITED STATES

- **Agencies consult on a rule for income tax allocation agreements**

The proposed rule [updates](#) and codifies existing guidance on income tax allocation agreements involving depository institutions and their affiliates. Deadline: 60 days after its publication on the Federal Register.

- **CFPB issues an interim final rule on fair debt collection practices act**

[Requires](#) debt collectors to provide written notice to tenants of their rights under the eviction moratorium and prohibits debt collectors from misrepresenting tenants' eligibility for protection from eviction under the moratorium.

- **OCC issues CRA evaluations for national banks and Federal Saving Associations**

The [list](#) became public during the period of Mar 1, 2021 to Mar 31, 2021, and contains only national banks, federal savings associations and insured federal branches of foreign banks that have received ratings.

**Recent publications of interest (in English and Spanish):**

- [Press Article](#). *Public aid, level playing field and the role of banks*. April 2021.
- [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.

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

## DISCLAIMER

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data, opinions or estimations regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

Any estimations this document may contain have been undertaken according to generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, either positive or negative, are no guarantee of future performance.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Nor shall this document or its contents form the basis of any contract, commitment or decision of any kind.

With regard to investment in financial assets related to economic variables this document may cover, readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorized by BBVA.

## This report has been produced by

Head of Financial Regulation  
Ana Rubio  
arubiog@bbva.com

Arturo Fraile  
arturo.fraile@bbva.com

Victoria Santillana  
mvictoria.santillana@bbva.com

Matías Daniel Cabrera  
matiasdaniel.cabrera@bbva.com

Pilar Soler  
pilar.soler.vaquer@bbva.com

Víctor Tarrías  
victor.tarrias@bbva.com

Salvador Portillo  
salvador.portillo@bbva.com

Inés Criado  
ines.criado@bbva.com