

Financial Regulation: Weekly Update

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Highlights

1. EBA publishes its final guidance to assess breaches of the large exposure limits
2. SRB updates its approach to the prior permission regime for early redemption of eligible instruments
3. EBA issues its guidelines on stress tests of Deposit Guarantee Schemes
4. ESMA issues the list of third-country markets considered as equivalent under EMIR
5. CNMV issues its financial stability note for July 2021

Europe

- **EBA publishes its final guidance to assess breaches of the large exposure limits**
Provides [guiding principles](#) to help competent authorities assess potential breaches of the large exposure limits, the time and measures to return to compliance. Effective date: Jan, 2022.
- **SRB updates its approach to the prior permission regime for early redemption of eligible instruments**
It seeks to assist institutions when [applying for permission](#) in line with the RTS (pending final endorsement). It summarises the procedures to follow when seeking to call or redeem eligible instruments before maturity.
- **EBA issues its guidelines on stress tests of Deposit Guarantee Schemes**
It seeks to strengthen the [stress testing](#) framework of DGSs (ability to perform all functions and to access funding sources), harmonizing approaches across Member States and enhancing the comparability of results.
- **ESMA issues the list of third-country markets considered as equivalent under EMIR**
[Shows](#) the list of the 37 third-country markets considered as equivalent to a regulated market in the Union for the purposes of defining OTC derivatives (Article 2(7) of EMIR).
- **EBA updates its list of ITS validation rules**
Provides the [revised](#) list of validation rules in its ITS on supervisory reporting, highlighting those which have been deactivated either for incorrectness or for triggering IT problems.
- **EIOPA issues criteria for assessing supervisory authorities' independence**
It [provides](#) clarity for supervisory authorities on EIOPA's expectations regarding operational, financial and personal independence principles as well as transparency and accountability.
- **OJEU publishes RTS on the contractual recognition of write down and conversion powers**
It sets the [conditions](#) under which it would be impracticable to include the contractual term under art 55 BRRD. Entry into force: twenty days since publication.

Spain

- **CNMV issues financial stability note for July 2021**

It [presents](#) a set of indicators, including the Spanish financial market stress indicator that provides a real-time measurement of systemic risk in the financial system. It remained at low levels for most of the quarter.

United Kingdom

- **PRA issues policy statement on financial holding companies**

Sets out its [approach](#) to exercising supervisory measures over and imposing penalties upon UK parent financial holding companies and UK parent mixed financial holding companies.

- **FCA sets out new strategy to tackle investment harm**

This new [strategy](#) aims to give consumers the confidence to invest by affording the necessary changes to ensure a high-quality and affordable advice market, leading to fewer people being scammed.

United States

- **CFPB issues report on credit card agreements in 2020**

[Analyses](#) agreements signed between credit card issuers and colleges. It remarks that the market for college credit cards continued its decline, while alumni associations continued as the largest part of this market.

Recent publications of interest (in English and Spanish)

- [Press Article](#). *The banking system, prepared for the default to come*. August 2021.
- [Press Article](#). *Post-Covid banking regulation*. July 2021.
- [Press Article](#). *The challenge of restructuring sovereign debt*. June 2021.
- [Press Article](#). *What do we expect on European financial regulation for the semester ahead?* June 2021.

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

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