

Financial Regulation: Weekly Update

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Highlights

1. IOSCO and CPMI call for comments on guidance for stablecoin arrangements
2. ISDA implements its new standard definitional booklet for interest rate derivatives
3. EBA publishes its work programme for 2022
4. ESMA issues call for evidence on retail investor protection under MiFID II
5. EIOPA issues statement on the EC's proposal to reform Solvency II

Global

- **IOSCO and CPMI call for comments on guidance for stablecoin arrangements**
[Consult](#) on preliminary guidance that confirms and clarifies that stablecoin arrangements should observe international standards for payment, clearing and settlement systems. Deadline: Dec 1, 2021.
- **FSB publish progress report on the implementation of global stablecoin recommendations**
The [report](#) notes that the implementation is still at an early stage. Jurisdictions have taken or are considering different approaches, which could give rise to regulatory arbitrage and harmful market fragmentation.
- **ISDA implements its new standard definitional booklet for interest rate derivatives**
[Aims](#) at ensuring ISDA's documentation keeps pace with changes in market practices, regulation and technology. Major central counterparties will reflect the 2021 definition in their rule books as of today.

Europe

- **EBA publishes its work programme for 2022**
[Sets](#) 2 main horizontal priorities: a) ESG risks; b) COVID-19 impact; and 5 vertical priorities: i) Supervision & resolution prudential framework; ii) EU-wide stress-testing; iii) supervisory data; iv) digital resilience, fintech & innovation v) AML.
- **ESMA issues call for evidence on retail investor protection under MiFID II**
[Seeks](#) input on how i) consumers can make informed choices ensuring investor protection; ii) regulatory disclosures can work best for consumers in the digital age, digital tools and channels. Deadline: Jan 2, 2022.
- **EC, ESAs, ECB, SSM, SRB and ESRB issue joint statement with US Agencies**
The EU-U.S. Joint Financial [Regulatory Forum](#) focused on: i) financial stability risks, ii) sustainable finance, iii) multilateral and bilateral engagement in banking and insurance, iv) cooperation in capital markets, v) financial innovation, and vi) AML/CFT.

- **EIOPA issues statement on the EC's proposal to reform Solvency II**
It [develops](#) an Insurance Recovery and Resolution Directive to include the macroprudential perspective in Solvency II, enhance the proportionality principle and give mandates for further action on sustainable finance.
- **EBA publishes an update of its risks assessment indicators**
[Includes](#) the review of indicators on institutions' profitability, exposures to sovereign counterparties and own funds requirements for operational risk and describes how risk indicators are computed in EBA publications.
- **EBA publishes its Risk Dashboard for the second quarter of 2021**
[Data](#) for EU banks show a RoE broadly similar to the previous quarter. Stable capital ratios with declining NPLs ratios. Operational risks remain elevated mainly due to cyber and ICT related risks.
- **ECB publishes its supervisory banking statistics dashboard**
The [report](#) remarks that RoE and CET1 remain stable, NPL ratio continues to decline but challenges remain for the sectors most affected by the pandemic. It also highlights that banks have maintained strong capital levels.
- **EIOPA publishes its strategic priorities for the coming year**
[Includes](#) COVID-19 ongoing effects, the market situation and political priorities, in particular supporting the digital and green recovery, ensuring consumer protection and safeguarding financial stability.
- **EIOPA issues two opinions regarding Institutions for Occupational Retirement Provisions (IORP)**
i) Opinion setting the [expectations](#) on the supervisory reporting of costs and charges of IORPs. ii) Opinion on the supervision of risk assessment by IORPs providing defined contribution schemes.
- **EIOPA publishes report on failures and near misses in insurance**
[Takes](#) stock of courses of action taken by insurers and NCAs during recovery and resolution phases of failures and near misses and concludes that a common recovery and resolution framework at the EU level is needed.
- **EIOPA publishes its approach for interbank offered rate transitions**
It will [implement](#) the updated methodology for the calculation of the risk-free interest rate as of 2022 for the British pound, Swiss franc and Japanese yen. Impact of the transition was estimated to be negligible for EEA.
- **EIOPA publishes its insurance overview for 2021**
It is [published](#) annually as an extension of its statistical services in order to provide an easy-to-use and accessible overview of the European (re)insurance sector.
- **EIOPA publishes technical information on interest rates and equity capital charge adjustment**
It has published technical information relating to i) [risk-free interest rate](#) to ensure consistent calculation of technical provisions across Europe and ii) symmetric adjustment of the [equity capital charge](#).
- **OJEU publishes ITS under BRRD II**
The ITS presents [uniform formats](#) and templates for notifications of determination of the impracticability of including contractual recognition of write down and conversion powers under the BRRD II.

Spain

- **CNMV issue statement of ESMA guidelines on cross-border distribution of funds**
CNMV notifies that it [complies](#) with the guidelines on marketing information under the regulation on cross-border distribution of funds and that they will be taken into account in its supervisory procedures.

- **AMCESFI publishes its annual report**

In compliance with the obligation to [report](#) on its annual activities, developments in the macro-financial environment, the financial sector, interconnections in the financial system and the ESRB recommendations.

United States

- **OCC and FDIC release of banks evaluated under the CRA**

The agencies issue the list of [state nonmember](#) banks recently evaluated for compliance with the CRA in Jul 2021, and [national banks](#) and federal savings associations in Sep 2021.

- **Agencies issue call reports**

The Consolidated Reports of Condition and Income for the Sep 30, 2021, report date. The material is needed for the [submission of data](#) to the Central Data Repository.

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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