

Financial Regulation: Weekly Update

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Highlights

1. BCBS publishes progress report on the implementation of the Basel regulatory framework
2. FSB's industry-led Task force on Climate-related Financial Disclosures issues 2021 status report
3. FSB publishes final report on money market fund resilience and progress report on cross border payments
4. EBA repeals guidelines on the security of internet payments under PSD1, and issues report on the transition risks of benchmark rates
5. ESMA publishes final report for STS synthetic securitization notification to EC

Global

- **BCBS publishes progress report on the implementation of the Basel regulatory framework**
Further [progress](#) has been made in the adoption of Basel III standards despite the disruptions resulting from COVID-19 and the required shift in regulatory and supervisory priorities.
- **FSB's industry-led Task force on Climate-related Financial Disclosures issues 2021 status report**
Disclosure of [climate-related](#) financial information aligned with its recommendations has accelerated, growing by 9 pp in 2020 and finds that over 50% of firms disclosed their climate-related risks and opportunities.
- **G7 publishes report with principles for retail CBDCs**
The principles to consider when [designing a CBDC](#) include issues such as financial stability, operational resilience, cyber security, energy efficiency, privacy, inclusion and tackling illicit finance. No G7 jurisdiction has yet made a decision to launch a CBDC.
- **FSB publishes final report on money market fund resilience**
It presents policy [proposals](#) to enhance the resilience of MMF. It includes proposals on the appropriate structure of the sector and of underlying short-term funding markets.
- **FSB publishes progress report on cross border payments**
It [outlines](#) as a key part of the report the publication of specific quantitative targets at the global level that address challenges of cost, speed, transparency and access faced by cross-border payments.
- **CPMI issues consultation on Payment-versus-Payment (PvP) settlement**
It is [developing](#) proposals for increased PvP adoption by encouraging enhancements to existing PvP arrangements and/or design of new public and/or private sector solutions. Deadline: Nov 12, 2021.

Europe

- **EBA repeals its Guidelines on the security of internet payments under PSD1**
These [Guidelines](#) were issued before the revised Payments Services Directive (PSD2) came into force in 2016 and have since then been superseded by the PSD2 and the related EBA instruments developed in its support.
- **EBA issues report on the transition risks of benchmark rates**
EU banks have [significant](#) derivatives and loan exposures linked to LIBOR and EONIA rates. Legal transition challenges and required changes in bank internal operations and systems remain key areas of concern.
- **ESMA publishes final report for STS synthetic securitization notification to EC**
[Details](#) specifying content and format of the STS notification for on-balance sheet securitizations to the European Commission. The document has been submitted to the EC for endorsement.

Spain

- **CNMV publishes new circular on corporate governance and remuneration**
[Introduces](#) modifications amending the structure and templates for annual corporate governance reports and reports on the remuneration of board members of listed companies.
- **CNMV issues statement on temporary trading ban for persons with responsibilities within an issuer**
[Clarifies](#) that quarterly financial statements can contain inside information and thus, all persons who are aware of that information shall refrain from trading in the security in question until the information is public.

United Kingdom

- **PRA publishes final rules for the implementation of Basel standards**
Provides the final [PRA rulebook](#), instruments, statements of policy and reporting and disclosure templates that replace the Capital Requirements Regulation (CRR).
- **PRA consults on trading, issues policy statement on leverage and supervisory statement on reporting**
i) Consultation setting PRA's expectations regarding the engagement in [trading activities](#) that may affect UK's financial stability. Deadline: Jan 21, 2022. ii) Policy Statement which sets details for the implementation of the [leverage ratio](#) framework. iii) Supervisory statement on [guidelines](#) for completing regulatory reports.
- **PRA issues statement on O-SIIs buffer rates and the intention to revise its framework**
It has [decided](#) to maintain buffer rates at 2019 levels for a further year and has announced its intention to change the metric used to determine O-SII buffer rates from total assets to the UK leverage exposure measure.
- **BoE issues statement on Financial Policy Committee meeting**
It has [published](#) a summary of the risks identified by the Financial Policy Committee to financial stability and the agreed policy actions to build the resilience of the financial system
- **BoE publishes results of systemic risk survey and report on regulatory capital 2021 Q2**
Publishes i) results of biannual survey on perceived [risks to UK financial system stability](#) by market participants and ii) quarterly statistical release on [levels of capital](#) and risk-weighted assets for the UK banking sector

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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