

Financial Regulation: Weekly Update

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October 22, 2021

Highlights

1. FSB publishes report on convergence in cyber incident reporting
2. EC publishes its 2022 work programme
3. ECB publishes the stress test methodology on climate-related risks for 2022
4. EBA publishes response to EC call for advice on crisis management and deposit insurance framework
5. ESAs consult on PRIIPs Regulation

Global

- **FSB publishes report on convergence in cyber incident reporting**
Identifies three ways to achieve greater [convergence](#) in cyber incident reporting: i) developing best practices, ii) identifying common types of information to be shared and iii) creating common terminology for reporting.
- **BIS announces the development of an Asian Green Bond Fund for central banks**
[It](#) will be a strong addition to the suite of existing green bond funds at the BIS and will help to channel central bank reserves to green projects in the Asia Pacific region. It will be launched in early 2022.

Europe

- **EC publishes its 2022 work programme**
[Contains](#) 42 new policy initiatives across six Guidelines. EC will start discussions with the Parliament and Council to establish a list of joint legislative priorities on which co-legislators agree to take swift action.
- **ECB publishes the stress test methodology on climate-related risks for 2022**
The [results](#) of the stress test exercise will be used in the SREP, but no quantitative impact on the P2G is expected. However, indirect impact on P2R may be possible via the SREP scores.
- **EBA publishes response to EC call for advice on crisis management and deposit insurance framework**
It [provides](#) a quantitative analysis on banks' capacity to access available sources of funding under the current framework and under various creditor hierarchies and with regards to the MREL
- **ESAs publishes call for evidence on PRIIPs Regulation**
The [input](#) provided will feed into the ESAs' technical advice to the EC on a review of the key information document for PRIIPs. Deadline: Dec 16, 2021.
- **EBA publishes clarifications on Application Programming Interfaces under PSD2**
The [objective](#) is to identify issues and challenges that market participants face while using API interfaces, searching for solutions on how the identified issues could be addressed.

- **EBA publishes final RTS on disclosure of investment policy by investment firms**
[Specifies](#) the information that investment firms will have to disclose to show their influence over the companies in which they hold voting rights and puts forward comparable disclosures.
- **ESAs publish sectoral reports on the supervisory independence of competent authorities**
[EBA](#), [EIOPA](#) and [ESMA](#) have published individual reports in their sectors highlighting that the independence of CAs is multi-faceted and dependent on a number of legal, institutional, operational and cultural factors.
- **EIOPA welcomes EC Solvency II proposals on sustainability**
It welcomes the two mandates proposed by the EC regarding [sustainability risks](#) and is pleased about the inclusion of climate change scenarios in the Own Risk and Solvency Assessment (ORSA).

United Kingdom

- **PRA publishes statement on Non-performing loan securitizations**
It [contains](#) its final policy: i) a new NPE Securitization part of the PRA rulebook; and ii) an updated supervisory statement. Implementation: Jan 1, 2022.
- **PRA publishes statement on internal ratings based models**
Provides [feedback](#) to responses on the identification of the nature, severity and duration of an economic downturn for the purposes of IRB models. Implementation date: Jan 1, 2022.
- **PRA and FCA publish guides on climate-related financial risks**
[The Climate Financial Risk Forum](#) chaired by FCA and PRA publishes guides on risk management, scenario analysis, disclosure and climate metrics to help firms respond effectively to climate-related financial risks.
- **FCA publishes report calling for legislative change to protect consumers**
Its latest [perimeter report](#) calls for legislative change to address concerns beyond its remit such as online advertising and product selling to ordinary customers using exemptions.
- **FCA publishes Q&A on its powers under the UK Benchmarks Regulation**
[Includes](#) information for firms regarding FCA's new powers under Benchmark Regulation as well as the impact on contract provisions, the use of synthetic LIBOR after end-2021 and the implementation of synthetic LIBOR.

United States

- **OCC publishes Bank Supervision Operating Plan for 2022**
[Provides](#) the foundation for policy initiatives and for supervisory strategies as applied to individual national banks, federal savings associations, federal branches, federal agencies and technology service providers.
- **OCC publishes a self-assessment tool for banks on Libor transition**
Bank management can use this self-assessment [tool](#) to evaluate the bank's risk management process for identifying and mitigating LIBOR transition risks.
- **CFPB issues statement on discontinuation of Libor**
[Urging](#) banks and nonbanks to continue efforts on transition to alternative reference rates to mitigate consumer protection, financial, legal and operational risks.

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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