

# Financial Regulation: Weekly Update

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## Highlights

1. BCBS issues statement on the establishment of the International Sustainability Standards Board
2. FSB publishes report to the G20 on its work to enhance the resilience of NBFIs and progress report on the implementation of its Principles for Sound Compensation Practices
3. EBA publishes consultation on RTS on Initial Margin Model Validation under EMIR
4. EBA, ECB, ESMA and EIOPA publish statements on their commitment to supporting green finance
5. ESMA issues public statement on European Common Enforcement Priorities, including climate related matters

## Global

- **BCBS issues statement on the establishment of the International Sustainability Standards Board**  
Supports the development of globally consistent sustainability [disclosures](#) across all sectors. It will work on the Pillar 3 framework to promote a common disclosure framework for internationally active banks.
- **FSB publishes report to the G20 on its work to enhance the resilience of NBFIs**  
The work program [includes](#) analytical and policy work that builds on the lessons from the turmoil, providing an overview of the NBFIs ecosystem and a framework for analyzing the availability of liquidity.
- **FSB issues progress report on the implementation of its Principles for Sound Compensation Practices**  
It [covers](#) the compensation practices of the largest financial institutions in the banking, insurance and asset management sectors and how they have evolved since 2009.
- **IOSCO publishes recommendations on sustainability practices in asset management**  
It [focuses](#) on investor protection issues and covers five areas: asset manager practices, policies, procedures and disclosure; product disclosure; supervision and enforcement; terminology; and financial education.
- **FATF publishes the list of jurisdictions under increased monitoring**  
[Updates](#) the list of jurisdictions that need to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing.

## Europe

- **EBA consults on RTS on Initial Margin Model Validation under EMIR**  
It [sets out](#) the supervisory procedures for initial and ongoing validation of initial margin models, which will be used to determine the level of margin requirements for OTC derivatives. Deadline: Feb 4, 2022.

- **EBA, ECB, ESMA and EIOPA publish statements on their commitment to supporting green finance**  
They commit to update and enhance the entire supervisory and prudential regulatory framework in the ESG domain, to facilitate the transition of the banking and financial sector ([EBA](#), [ECB](#), [ESMA](#) and [EIOPA](#)).
- **ESMA issues public statement on European Common Enforcement Priorities**  
Priorities [include](#) the impact of COVID-19, climate-related matters and disclosure obligations. These areas will be considered by national enforcers in the assessment of listed companies' financial statements.
- **ESMA publishes new data on bonds liquidity and data for systematic internalizer calculations**  
It has [published](#) the latest quarterly liquidity assessment for bonds available for trading on EU trading venues and the total number of trades and total volume for the systematic internalizer calculations under MiFID II.
- **ECB publishes report on card fraud in 2019**  
It [shows](#) that card fraud declined during 2019, and highlights that most card fraud took place via online and mobile payment and in cross-border transactions.
- **EIOPA updates representative portfolios to calculate adjustments to the relevant risk-free interest rate**  
It has published [updated representative portfolios](#) and its [technical documentation](#) and will publish [monthly calculations](#) of the technical information relating to the risk-free interest rate in parallel to the official one.
- **EIOPA publishes its 2Q 2021 risk dashboard**  
It [shows](#) that insurers' exposures to macro risks remain at a high level while all other risk categories—including insurance, profitability and solvency risks—remain at medium levels.

## Spain

- **Spanish Ministry of Economic Affairs publishes Royal Decree- Law on Covered Bonds**  
The [Omnibus Royal Decree-Law](#) approved includes the transposition of the European Directives on Covered Bonds and cross-border distribution of funds. It will become effective on July 8, 2022.
- **CNMV publishes its report on the situation of the markets and includes articles on sustainability**  
It [describes](#) an international and domestic macroeconomic and financial environment which shows clear signs of recovery. Sustainability articles focus on corporate governance and climate and sustainability benchmarks.
- **BdE publishes its semi-annual report on financial stability**  
[Analyzes](#) the risks of the Spanish financial system, the profitability and solvency of deposit institutions retrospectively and prospectively and presents its macroprudential policy and measures.

## United Kingdom

- **FCA consults on Sustainability Disclosure Requirements and investment labels**  
It [seeks](#) views on new sustainability disclosure requirements for asset managers and new classification and labeling system for sustainable investment products. Deadline: Jan 7, 2022.

## United States

- **President's Working Group on Financial Markets, OCC and FDIC issue joint report on stablecoins**  
The report [highlights](#) gaps in the authority of regulators to address a series of risks that it points up. It outlines a regulatory framework for stablecoins in order to reduce such risks.

- **FRB and OCC issue statements in support of Greening the Financial System**  
The [agencies](#) recognize that [climate change](#) is a real risk and poses a challenge to the global economy and the financial system. They reaffirm their commitment to work on these issues, within their corresponding mandates.
- **OCC and FDIC issue the list of banks examined for CRA compliance**  
The agencies release the list of institutions evaluated under the CRA during [October](#) and [August](#), respectively.

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

- [Press Article](#). *Three major challenges in the regulation of sustainable finance*. October 2021.
- [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.

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

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