

Financial Regulation: Weekly Update

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Highlights

1. CPMI and IOSCO consult on access to CCP clearing and client-position portability
2. EC publishes consultation on macroprudential framework for the banking sector
3. EBA consults on interest rate risk arising from non-trading book activities and publishes the sample of banks participating in the Basel III monitoring exercise
4. SRB publishes guidelines on solvent wind-down and operational continuity in resolution and publishes its 2022 work program
5. BoE publishes policy statement on MREL review

Global

- **CPMI and IOSCO consultation on access to CCP clearing and client-position portability**
[Aims](#) to improve understanding of new access models that enable clients to directly access CCP services, and effective client-position porting or transfer practices. Deadline: Jan 24, 2022.
- **FSB publishes report on good practices for crisis management groups**
The report [focuses](#) on: i) structure and operations, ii) resolution policy, strategy and resolvability assessments, iii) coordination to enhance firms' resolvability, iv) enhance home-host coordination for crisis preparedness.

Europe

- **EC publishes consultation on macroprudential framework for the banking sector**
It [aims](#) to review whether the macroprudential rules are sufficient to mitigate systemic risks. It has four sections: overall design and functioning of the buffer framework, missing or obsolete instruments to reduce complexity, internal market considerations and global and emerging risks. Deadline: March 18, 2022.
- **EBA consults on interest rate risk arising from non-trading book activities**
Three [consultations](#) i) on draft Guidelines on IRRBB and credit spread risk arising from non-trading book activities (CSRBB); ii) on RTS on the IRRBB standardised approach; iii) on RTS on the IRRBB supervisory outlier test. Deadline: Apr 4, 2022.
- **EBA publishes sample of banks participating in the mandatory Basel III monitoring exercise**
It [consists](#) of a sample of 157 banks selected by NCAs, of which 114 are either G-SIIs or O-SIIs, covering approximately 80% of the banking sector in the EEA. The exercise is expected by the end of January 2022.

- **SRB publishes guidelines on solvent wind-down (SWD) and operational continuity in resolution (OCIR)**
i) [Guidance on SWD](#) of derivatives and trading books in resolution with the objective of: adequately preparing, developing and maintaining banks' capabilities, and ensuring execution capabilities of the SWD plan. ii) Updated [guidance on OCIR](#), giving more details on topics related to financial resilience and staffing.
- **SRB publishes its 2022 work program**
[Priorities](#): i) achieve resolvability for SRB banks and LSIs, ii) foster a robust resolution framework, iii) carry out effective crisis management, iv) operationalize the SRF, and v) establish a lean and efficient organization.
- **ESRB publishes two reports on macroprudential stance**
The [macroprudential stance](#) compares systemic risks with the policy measures taken to address them, to assess whether the macroprudential policy of a jurisdiction is neutral, loose or tight.
- **ESMA announces upcoming publication regarding Central Securities Depositories Regulation (CSDR)**
It will start publishing [information](#) on trading venues with the highest turnover for bonds by February 2022 and will update it on a quarterly basis. This will enable CSDs to apply cash penalties for bonds under the CSDR.
- **EIOPA publishes methodological framework for stress-testing IORPs**
It [presents](#) a set of standard approaches, practical rules and possible methodologies to support the design phase and the management of future IORP stress test exercises.
- **EIOPA publishes framework for delivering better value for money in a consumer-centric way**
It [sets out](#) the common principles needed so unit-linked products can offer value for money. It does not introduce additional regulatory requirements but highlights that more convergence is needed in its supervision.
- **EIOPA submits its advice on pensions tools to the EC**
Advice on [two pension](#) tools, the pension tracking system and the pensions dashboard, to raise citizens' awareness of their future retirement income and to enhance the monitoring of national pension systems.

Spain

- **CNMV publishes report on non-bank financial intermediation in Spain for 2020**
This [sector](#) accounts for around 5.8% of the financial system (down from 6.6% in 2019) and no relevant threats to financial stability are identified compared with previous analyses.

United Kingdom

- **BoE publishes policy statement on MREL review**
It concludes the review of its approach to [setting MREL](#) requirements. It considered resolution strategy thresholds, MREL calibration, eligibility of instruments and application of MRELS within banking groups. Effective date: Jan 1, 2022.
- **FCA publishes new listing rules on UK stock markets**
It [addresses](#) the recommendations made in the UK Listing Review and the Kalifa Review of UK FinTech, with the FCA seizing the opportunity to update its rules to respond to potential changes. Effective date: Dec 3, 2022.
- **FCA publishes final rules requiring firms to give a stronger nudge to pension guidance**
The [changes](#) are designed to increase take-up of the Pension Wise service, which offers free, impartial guidance to consumers about their pension options. The changes will apply from June 1, 2022.

- **FCA updates its decision making to prevent consumer harm**

The new approach [ensures](#) faster and more effective decision making for consumers, markets and firms. The new process will ensure decisions to prevent or stop consumer harm are taken more quickly.

United States

- **Agencies announce new threshold for exempting mortgage loan from appraisal requirements**

Based on the annual percentage increase in the Consumer Price Index CPI-W, the [threshold](#) for exempting loans from special appraisal requirements increases from \$27,200 to \$28,500. Effective date: Jan 1, 2022.

- **Agencies announce new thresholds in Regulations Z (Truth in Lending) and M (Consumer Leasing)**

Based on the increase in the Consumer Price Index CPI-W, the [threshold](#) to determine whether some consumer credit and lease transactions are exempt from Regulations Z and M increases to \$61,000.

- **FFIEC updates examination manual on Bank Secrecy Act/Anti-Money Laundering**

The manual provides [instructions](#) to examiners for assessing a bank's BSA/AML compliance program, and its compliance with other BSA requirements, but does not establish requirements for financial institutions.

- **SEC adopts amendments to rules regarding Holding Foreign Companies Accountable Act**

It concerns [submission](#) and disclosure requirements in the HFCAA, applying to registrants with annual reports and audit reports issued by a registered public accounting firm in a foreign jurisdiction, and that the PCAOB is unable to inspect

- **SEC updates list of firms using inaccurate information to solicit investors**

It presents the [list](#) of soliciting entities that have been the subject of investor complaints and enables investors to better inform themselves and avoid being a victim of fraud.

- **OCC and FDIC publish CRA evaluation schedule**

The agencies present the evaluation schedule for the first and second quarter of 2022, for [national banks](#) and federal savings associations and [FDIC-supervised](#) institutions.

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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