

# Financial Regulation: Weekly Update

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## Highlights

1. FSB publishes progress reports on implementation of OTC derivatives market reforms and key attributes for effective resolution regimes
2. EBA consults on RTS on information requirements for crowdfunding service providers
3. EBA publishes annual risk assessment and transparency exercise results for European banking system
4. EBA publishes report on the application of its guidelines on the remuneration of sales staff
5. ECB publishes its supervisory priorities and risk assessment for 2022-2024 period and final guide to fit and proper assessments

## Global

- **FSB publishes report on implementation progress of OTC derivatives market reforms**  
[Highlights](#) significant progress in implementing final higher capital requirements for non-centrally cleared derivatives, but few developments regarding platform trading requirements.
- **FSB publishes report on the implementation of the key attributes for effective resolution regimes**  
Progress towards [resolvability](#) has been significant, but there are a number of gaps that need to be addressed. Emerging topics in resolution planning include digital innovation and non-traditional market participants.
- **IOSCO consults on the use of innovation facilitators in growth and emerging markets**  
It [covers](#) three types of innovation facilitators: i) innovation hubs; ii) regulatory sandboxes; iii) regulatory accelerators. Deadline: Feb 6, 2022.

## Europe

- **EBA consults on RTS on information requirements for crowdfunding service providers**  
Proposed [requirements](#) include those relating to the provision of information for investors on the calculation of credit scores and loan prices, underlying policies and governance arrangements. Deadline: Mar 8, 2022.
- **EBA publishes annual risk assessment and transparency exercise results**  
The [risk assessment](#) shows improvements in solvency, profitability and liquidity — however, asset price corrections remain a key threat. The [transparency exercise](#) provides disclosure on assets and liabilities, capital positions, risk and leverage exposures and asset quality for 120 banks across 25 EU and the EEA countries.

- **EBA publishes report on the application of its guidelines on the remuneration of sales staff**  
[Highlights](#) that financial institutions focus more on prudential requirements and commercial interests than on meeting the interests of consumers but identifies good practices that are compliant with the guidelines.
- **ECB publishes its supervisory priorities and risk assessment for 2022-2024 period**  
[Identifies](#) three priorities and sets strategic objectives to ensure that banks i) emerge from the pandemic healthy, ii) address structural weaknesses via digitalization strategies & enhanced governance, iii) tackle emerging risks.
- **ECB publishes final guide to fit and proper assessments**  
It has published the [final package guide](#) to fit and proper assessments, the updated fit and proper [questionnaire](#) and the [feedback statement](#) on the consultation.
- **EBA updates on monitoring of CET1 capital instruments**  
Includes the [updated](#) list of CET1 instruments together with a report giving information on the underlying monitoring objectives and the consequences of the inclusion/exclusion of instruments on the list.
- **SRB publishes MREL dashboard covering Q2 2021 period**  
It finds that the average [MREL shortfall](#) has been reduced in terms of TREA (including the CRB). MREL issuances decreased with respect to Q1 (in line with seasonal patterns), and funding costs remained stable.
- **EIOPA publishes its sustainable finance activities for the upcoming three years**  
It has defined [key areas](#) of activity on the integration of sustainability in the prudential framework of insurers and pension funds and has launched a pilot exercise on climate change adaptation in non-life underwriting.

## United Kingdom

- **PRA returns Pillar 2A requirements to a percentage of RWA after COVID-19 crisis**  
The [requirement](#) was set as a nominal amount in response to the COVID-19 crisis and the PRA believes the measure is no longer necessary and so it will return to a variable amount.
- **BoE publishes statement on derivatives clearing obligation**  
The bank's [final policy](#) consists in adding OIS (Overnight Index Swaps) contracts referencing TONA (Tokyo Overnight Average Rate), with an original maturity between 7 days and 30 years, to the clearing obligation.
- **FCA consults on compensation framework review**  
[Focus](#) on discussion with stakeholders on the compensation framework and the purpose, scope and funding of the Financial Services Compensation Scheme (FSCS). Deadline: Mar 04, 2022.
- **FCA consults on consumer protection for users of financial services**  
New [rules](#) will require firms to focus on supporting and empowering their customers to make good financial decisions and avoiding foreseeable harm at every stage of the customer relationship. Deadline: Feb 15, 2022.

## United States

- **OCC publishes report on effects of COVID-19 on federal banking system**  
[Highlights](#) operational, credit, compliance, and strategic risks, among the key risk areas. Outlines banks resilience and satisfactory credit quality and strong earnings.

- **CFPB publishes final rule to facilitate transition from LIBOR**  
It establishes [requirements](#) for creditors when they select replacement indices for existing LIBOR-related consumer loans. Effective date: Apr 1, 2022.
- **SEC issues statement with considerations for market participants on LIBOR transition**  
It seeks to remind [investment professionals](#) of their obligations when recommending LIBOR-linked securities, and companies and issuers of asset backed securities of their disclosure obligations related to this issue.
- **OCC and FDIC publish CRA evaluations**  
The agencies release the evaluations for the Nov 2021 period for [national banks](#) and federal savings associations, and Sept 2021 for [state nonmember](#) banks.

### 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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