

Financial Regulation: Weekly Update

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Highlights

1. EBA publishes binding standards on Pillar 3 disclosures on ESG risks
2. EBA amends standards on currencies with constraints on the availability of liquid assets
3. ECB launches 2022 climate risk stress test
4. ESMA consults on the review of MIFID II suitability guidelines
5. ESRB recommends establishing a systemic cyber incident coordination framework

Global

- **BIS publishes the 2022 Innovation Hub program**
Will [focus](#) on central bank digital currencies, next generation payments systems and Decentralized Finance and on expanding its portfolio of explorations seeking to develop new technological public goods for central banks.

Europe

- **EBA publishes binding standards on Pillar 3 disclosures on ESG risks**
[Puts forward](#) comparable disclosures and KPIs, including a green asset ratio (GAR) to ensure that stakeholders are well-informed about institutions' ESG exposures, risks, and strategies and can make informed decisions.
- **EBA amends standards on currencies with constraints on the availability of liquid assets**
After [analyzing](#) the updated data analysis, no currency will be recognized as having constraints on the availability of liquid assets.
- **ECB launches 2022 climate risk stress test**
To [identify](#) vulnerabilities, best practices and challenges banks face when managing climate-related risk. Importantly, this is not a pass or fail exercise, nor does it have direct implications for banks' capital levels.
- **ESMA consults on the review of MIFID II suitability guidelines**
[Proposes](#) guidelines on suitability requirements, such as collection of information from clients on sustainability preferences, assessment of sustainability preferences and organizational requirements. Deadline: Apr 27, 2022.
- **ESMA publishes statement on how to report net short positions**
It [requires](#) position holders to report NSPs between 0.1% and 0.2% on the day of application of the 0.1% reporting threshold, even where they were entered into ahead of that date. Application: Jan 31, 2022.

- **ESRB publishes recommendation on increasing the resilience of money market funds**
It [recommends](#) that the EC reduces threshold effects and liquidity transformation; facilitates the use of liquidity management tools; and enhances monitoring and stress-testing frameworks.
- **ESRB publishes recommendation on a pan-European systemic cyber incident coordination framework**
To get a high level of preparedness and [coordination](#) among financial authorities in order to respond effectively to such major cyber incidents by addressing the risks to financial stability stemming from cyber incidents.
- **EIOPA publishes its consumer trends report**
It [identifies](#) an acceleration in digitalization emerging from the pandemic, which brings opportunities but also some concerns for consumers, such as frauds and possible new forms of exclusion from access to the financial products.

Spain

- **CNMV adopts ESMA guidelines on the suitability of members of the management body**
[Incorporates](#) changes relating to the classification of investment firms, amendments to AML regulation and ESG criteria, convergence in assessing the suitability of members of the management body and key function holders.

United Kingdom

- **PRA consults on technical input for insurance stress test in 2022**
[Request](#) for technical input, which includes updated scenarios together with the scenario calibration, specifications, and guidance; quantitative data templates; and a 'Results and basis of preparation' (RBP) report.
- **FCA consults on guidance for firms who seek to limit their liabilities**
Firms using company or insolvency law to [manage their liabilities](#) have been warned they could face assertive action by the FCA if their proposals unfairly benefit them at the expense of their customers. Deadline: Mar 1, 2022.

United States

- **FRB consults on pros and cons of a potential US central bank digital currency**
It [invites](#) comment from the public and is the first step in a discussion of whether and how a CBDC could improve the safe and effective domestic payments system. Deadline: May 2022.
- **FDIC publishes final rule regarding deposit insurance simplification**
It [simplifies](#) deposit insurance coverage for deposits held in connection with revocable and irrevocable trusts by merging these two deposit insurance categories and applying a simpler, common calculation to determine coverage.
- **CFPB seeks public input on banks and other financial institution's fees**
The agency seeks [input](#) on fees on bank's accounts, credit cards and other financial products to avoid excessive fees. Deadline: Mar 31, 2022.
- **FinCEN consults on proposed rule for suspicious activity report sharing pilot program**
It [proposes](#) and solicits public comment on the establishment of a limited-duration pilot program for sharing suspicious activity reports in accordance with the Anti-Money Laundering Act of 2020. Deadline: Mar 28, 2022.
- **SEC consults on amendments to enhance private fund reporting**
To [enhance](#) the Financial Stability Oversight Council's ability to assess systemic risk and bolster its regulatory oversight of private fund advisers and investor protection in a growing private fund industry. Deadline: Feb 26, 2022.

- **SEC consults on amendments to include significant treasury markets platforms within regulation ATS**
To better [protect](#) investors and enhance cybersecurity by bringing more Alternative Trading Systems (ATS) that trade treasuries and other government securities under the regulatory umbrella. Deadline: Feb 26, 2022.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Regulating the digital economy: a list of obligations and prohibitions for large platforms*. January 2022.
- [Press Article](#). *How should artificial intelligence be regulated?* January 2022.
- [Press Article](#). *Seven keys to financial regulation in 2022*. January 2022.
- [Press Article](#). *The EU must have a framework on cryptos as soon as possible*. January 2022

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

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