

# Financial Regulation: Weekly Update

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February 18, 2022

## Highlights

1. FSB publishes an assessment report on the risks to financial stability from crypto assets and outlines its work priorities for 2022 to G20 finance ministers and central bank governors
2. EBA issues opinion on EC amendments to RTS on fixed overhead requirements for investment firms
3. ECB publishes Central Banks renewed statements of commitment to FX global code
4. ESMA publishes its response to the EC consultation on the Listing Act and proposes reforms to improve resilience of money markets funds (MMF)
5. ESRB publishes warnings and recommendations on residential real estate vulnerabilities

## Global

- **FSB publishes an assessment report on the risks to financial stability from crypto assets**  
[Examines](#) developments and associated vulnerabilities relating to three segments of the crypto-asset markets: unbacked crypto-assets (such as Bitcoin); stablecoins; and platforms on which crypto-assets trade.
- **FSB Chair outlines work priorities for 2022 to G20 finance ministers and central bank governors**  
The [policy work](#) will focus on: i) Reinforcing financial system resilience in light of COVID experience, ii) Harnessing the benefits of digitalization, while containing its risks; iii) Addressing financial risks from climate change.

## Europe

- **EBA issues opinion on EC amendments to RTS on fixed overhead requirements for investment firms**  
[Identifies](#) a substantive change in the EC's version of the RTS but considers that the amendments continue to strike a good balance between flexibility and risk sensitivity.
- **EBA publishes adjustments to the Single Rulebook Q&A process**  
[Adjusts](#) the Single Rulebook Q&A process to ensure that questions are answered efficiently and within a reasonable time frame, and that other measures are taken to overcome a backlog of older questions received prior to Jan 1, 2020.
- **ECB publishes Central Banks renewed statements of commitment to FX global code**  
The [updated](#) code will remain relevant and aligned with the ongoing evolution of the foreign exchange market and will continue to set standards for good market practice.

- **ESMA publishes response to EC consultation on the Listing Act**  
Considers that while the broad regulatory [framework](#) is strong and effective there is scope to try to alleviate certain burdens for issuers, reduce costs and enhance incentives for listing.
- **ESMA proposes reforms to improve resilience of money markets funds (MMF)**  
It will [improve](#) resilience of MMFs by addressing, in particular, liquidity issues and the threshold effects for constant net asset value (CNAV) MMFs.
- **ESMA publishes TVR report that highlights the risk of significant markets corrections**  
In its [Trends, Risks and Vulnerabilities \(TRV\) report](#) outlook for 2022 continues to see high risks to institutional and retail investors of further market corrections as markets remain nervous and geopolitical tensions are rising.
- **ESRB publishes warnings and recommendations on residential real estate vulnerabilities**  
Key [vulnerabilities](#) relate to rapid house price growth and possible overvaluation of residential real estate, the level of household indebtedness, the growth of housing credit and signs of a loosening of lending standards

## United Kingdom

- **FCA consults on its proposed rules to pension providers**  
[Requires](#) pension providers to be ready to receive requests to find pensions and search records for data matches, as well as supply specified information for consumers to view on their chosen dashboard. Deadline: Apr 8, 2022.
- **BoE, PRA, FCA and PSR review MoU in relation to payment services in the UK**  
Concludes that the [MoU](#) is working well. Authorities have implemented some initiatives such as exchange of expertise, information and data. They have also identified opportunities to deepen cooperation and coordination.

## United States

- **FDIC publishes Economic Scenarios for 2022 Stress Testing**  
It [includes](#) baseline and severely adverse scenarios. The first is aligned with a survey of private sector economic forecasts, the latter is a hypothetical scenario designed to assess strength and resilience of financial institutions.
- **Agencies issue 2021 Shared National Credit Review**  
FRB, FDIC and OCC have conducted the review to [conclude](#) that credit risk for large syndicated loans improved modestly in 2021, but remains high due to the effects of COVID-19.

## 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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