

Financial Regulation: Weekly Update

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Highlights

1. BCBS publishes newsletter on COVID-19 related credit risk issues
2. EBA recommends adjustments on sustainability in the EU securitization market
3. EBA publishes report on ESRB recommendation on identifying legal entities
4. BdE no longer applies the exclusion of exposures to central banks in the leverage ratio calculation

Global

- **BCBS publishes newsletter on COVID-19 related credit risk issues**
COVID-19 has increased the [challenges](#) of assessing creditworthiness. Supervisors have observed a range of policies and practices across banks' governance and models. BCBS will continue to monitor these practices.

Europe

- **EBA recommends adjustments on sustainability in the EU securitization market**
[Examines](#) how sustainability could be introduced in the specific context of securitization to foster transparency and credibility in the EU sustainable securitization market and to support its sound development.
- **EBA publishes report on ESRB recommendation on identifying legal entities**
It [provides](#) information on the substance, such as the legal form of the measure and the type of financial institutions covered, as well as on the timing of the actions taken by the EBA to implement recommendations.
- **EIOPA publishes monthly technical information for Solvency II**
Technical information with reference to the end of February 2022 on i) the relevant [risk free interest rate](#) term structures (RFR) and ii) the symmetric [adjustment of the equity capital charge](#) for Solvency II.

Spain

- **BdE no longer applies the exclusion of exposures to central banks in the leverage ratio calculation**
Based on ECB's opinion, that there are no circumstances that justify the continuation of this exclusion, BdE has confirmed the [end of this exemption](#) for less significant Spanish credit institutions as of Apr 1, 2022.

- **CNMV publishes supervisory report on annual accounts of listed companies**
For 2021, special [focus](#) is given to COVID-19 impacts, climate-related issues and the breakdown of information regarding expected credit loss for credit institutions.
- **CNMV publishes supervisor report on non-financial information of listed companies**
For 2021, special [focus](#) is given to information on greenhouse gas emissions, to the scope of information and the chain of value of the entity.

United Kingdom

- **FPC consults on withdrawing its mortgage affordability test recommendation**
The [affordability test](#), introduced in 2014 by the Financial Policy Committee, specifies a stress interest rate for lenders when assessing prospective borrowers' ability to repay a mortgage. Deadline: May 6, 2022.
- **FCA launches claims management companies (CMCs) fees cap**
New [restrictions](#) will apply to CMCs to prevent them from charging excessive fees to consumers owed compensation from financial services firms. Application: Mar 1, 2022.

United States

- **FRB consults on its new framework to evaluate all requests for accounts and services**
It [invites](#) (45 days) public comment to its proposal intended to ensure that Reserve Banks use a transparent and consistent set of factors when reviewing requests to access FED accounts and payment services.
- **SEC proposes short sale disclosure rule**
To [provide](#) greater transparency to investors and regulators by increasing the public availability of short sale related data.
- **OCC publishes CRA evaluations for national banks and federal saving associations**
The [released list](#) contains the performance evaluations for national banks, federal savings associations, and insured federal branches of foreign banks that became public during the period of February 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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