

# Financial Regulation: Weekly Update

Matías Cabrera and Inés Criado

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## Highlights

1. EC issues consultation regarding state aid framework for banks and proposes changes to the Central Securities Depositories Regulation
2. ECB publishes assessment on banks' disclosure of climate and environmental risks
3. SRB issues operational guidance on the identification and mobilization of collateral in resolution
4. ESAs publish statement warning consumers on the risks of crypto-assets
5. FATF publishes recommendations to combat ML/TF

## Global

- **FATF publishes recommendations to combat ML/TF**  
To [set out](#) a framework of measures which countries should implement in order to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction.
- **IOSCO publishes 2022 sustainable finance work plan**  
[Includes](#) a review of the proposed climate and general sustainability disclosure requirements and will foster its engagement with national regulators and market participants for the implementation of its recommendations.
- **BCBS issues newsletter on artificial intelligence (AI) and machine learning (ML)**  
[Provides](#) greater detail on its internal discussion regarding AI and ML, believing it to be useful for both supervisor and bank. For informational purposes only.

## Europe

- **EC issues consultation regarding state aid framework for banks**  
It seeks to evaluate to what extent the [framework](#) has preserved financial stability and minimized competition distortions. It focuses on effectiveness, efficiency, relevance, coherence and EU added value. Deadline: Jun 9
- **EC proposes changes to the Central Securities Depositories Regulation**  
[Seeks](#) to have simpler rules to make settlement in EU financial markets safer and more efficient while safeguarding financial stability. The proposal is a key component of the 2020 CMU Action Plan.

- **ECB publishes assessment on banks' disclosure of climate and environmental risks**  
There have been [improvements](#), but banks do not fully meet supervisory expectations. Banks' disclosure of key metrics is not sufficiently in line with supervisor expectations and disclosures are not sufficiently substantiated.
- **SRB issues operational guidance on the identification and mobilization of collateral**  
It focuses on 3 [objectives](#): i) collateral governance and management; ii) capacity to identify collateral; and iii) capacity to mobilize collateral.
- **ESAs publish statement warning consumers on the risks of crypto-assets**  
[Highlights](#) that these assets are not suitable for most retail consumers as an investment or means of payment or exchange and they typically fall outside existing protection under current EU financial services rules.
- **EBA issues statement on compliance with sanctions against Russia**  
It seeks to ensure the implementation of [restrictive measures](#), collecting queries on its scope and channeling them to the EC. It will monitor the situation, to inform on the actions needed to mitigate risks.
- **ESMA publishes its assessment on EC's MIFIR review proposal**  
It [focuses](#) on the establishment of the consolidated tape provider (CTP) but also includes elements such as equity and non-equity transparency, reporting and payment for order flow.
- **ESMA publishes its peer review report on the supervision of cross-border activities**  
[Identifies](#) the need for home NCAs to significantly improve their approach including calibrating their supervisory work to the nature, scale and complexity of those firms' cross-border activities and the risks they pose.
- **ESMA issues statement on the regulatory response to the war in Ukraine**  
It is [monitoring the impact](#) of the crisis on financial markets, and states its preparedness to use relevant tools to guarantee the orderly functioning of markets, financial stability and investor protection.
- **EIOPA publishes report on the modeling of market and credit risk in internal models**  
[Provides](#) an up-to-date overview of modeling approaches and presumed causes of dispersion in model outputs. It covers close to 100% of the EUR investments of undertakings that have approved internal models.

## United Kingdom

- **PRA consults on proposals to amend a series of technical standards and rules**  
It proposes [minor changes](#) affecting Solvency II and CRR firms (leverage ratio, LCR reporting, ICAAP, NSFR templates and disclosure, standardized and IRB approaches for credit risk, among other issues). Deadline: May 10, 2022.
- **FCA consults on ancillary activities exemption for commodity derivatives**  
[Propose](#) to make changes to the perimeter guidance manual to clarify the application of the MIFID II Ancillary Activities Test in the absence of overall market size data. Deadline: April 11, 2022.

## United States

- **FDIC publishes Financial Institution Letter rescinding measures related to annual report filing**  
[Rescinds](#) FIL-30-2020, which provided a 45-day extension of time for filing Part 363 Annual Reports. The deadline for filing the annual report for fiscal years beginning after Dec 31, 2021 reverts to 90 or 120 days.
- **CFPB targets unfair discrimination in consumer finance**  
It [announced](#) changes to its supervisory operations to better protect families and communities from illegal discrimination, including in situations where fair lending laws may not apply.
- **OCC publishes rule addressing authority for exemptions to suspicious activity requirements**  
[Clarifies](#) the OCC's authority to issue exemptions from the requirements of those regulations based on a request from a national bank or federal savings association. It will take effect on May 1, 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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### **ENQUIRIES TO:**

BBVA Research: Azul Street, 4. La Vela Building – 4th and 5th floor. 28050 Madrid (Spain).  
Tel. +34 91 374 60 00 y +34 91 537 70 00 / Fax (+34) 91 374 25  
[bbvarresearch@bbva.com](mailto:bbvarresearch@bbva.com) [www.bbvarresearch.com](http://www.bbvarresearch.com)