

Financial Regulation: Weekly Update

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May 6, 2022

Highlights

1. FSB issues consultation on supervisory and regulatory approaches to climate-related risks
2. EBA issues consultation on the role of environmental risks in the prudential framework
3. EBA issues technical standards on the mapping of ECAs for securitization positions
4. ESAs issue consultation on RTS regarding sustainability disclosures for STSs
5. EBA updates guidelines for assessing equivalence of third-country authorities

Global

- **FSB issues consultation on supervisory and regulatory approaches to climate-related risks**
Considers that a consistent [global approach](#) is needed to address climate-related risks, to better assess and mitigate vulnerabilities and to reduce the risk of market fragmentation. Deadline: Jun 30, 2022.

Europe

- **EBA issues consultation on the role of environmental risks in the prudential framework**
It [explores](#) if environmental risks are to be incorporated in the Pillar 1 prudential framework, the inclusion of a forward-looking perspective and highlights the need for a holistic regulatory approach. Deadline: Aug 2, 2022.
- **EBA issues technical standards on the mapping of ECAs for securitization positions**
The changes reflect the relevant [amendments](#) introduced by the new Securitization Framework, as well as the mappings for three ECAs that extended their credit assessments to cover securitizations.
- **ESAs issue consultation on RTS regarding sustainability disclosures for STSs**
[Seeks](#) input on the content, methodologies and presentation of information in respect of the sustainability indicators for Simple, Transparent and Standardized (STS) securitizations. Deadline: Jul 2, 2022
- **EBA updates guidelines for assessing equivalence of confidentiality regime of third countries**
Update to widen: i) scope of the [assessment](#) including all relevant provisions in CRD, PSD2, BRRD and AMLD, and ii) purpose, to support cooperation and facilitate participation in supervisory, resolution and AML colleges.
- **EBA updated technical standards in view of its 2023 benchmarking of internal approaches**
For [market risk](#), new instruments and portfolios are included. For credit risk minor changes to the portfolios are included but not to the reporting data fields. No changes are introduced for IFRS 9.

- **EBA issues report on non-bank lending**
It [identifies](#) risks arising from the provision of lending by non-bank entities and puts forward some proposals to address them.
- **ESAs issue technical advice on the review of the PRIIPs regulation**
[Changes](#) improve the presentation of information provided to consumers and to make it easier for them to compare different products and will serve as input for developing the Commission's Retail Investment Strategy.
- **ESMA issues recommendations on investor protection**
Puts forward [proposals](#) to make it easier for investors to get the key information they need to make investment decisions, whilst also protecting them from aggressive marketing techniques and detrimental practices.
- **ESMA issues opinion on proposed changes on ITS on insider lists and on RTS on liquidity contracts**
i) Regarding ITS on insider lists, [ESMA](#) disagrees with the EC proposal to exempt SME growth markets from the obligation to create different sections of the insider list for each piece of inside information and ii) agrees with the two additions proposed to the RTS on liquidity contracts for SME growth markets issuers.
- **ESMA issues updated guidelines on stress test scenarios under MMF regulation**
It seeks to [ensure](#) common, uniform and consistent application of the provisions in Article 28 of the MMF Regulation and establish common reference parameters of the stress test scenarios.
- **ESMA publishes regular market calculations**
i) [Transparency](#) calculations for non-equity instruments and quarterly systematic internalizer calculations and ii) annual Large in Scale and /Size Specific To the Instrument [thresholds](#) calculations for bonds.
- **EIOPA publishes report on retail investor protection in the sale of Insurance-Based Investment Product**
[Main findings](#): i) enhance consumer engagement with disclosures; ii) opportunities of digital tools; iii) risks of conflict of interests; iv) affordable and efficient process; v) assessing the impact of complexity.
- **EIOPA publishes its risk dashboard for the 4Q2021**
The [results](#) show that macro risks are currently the main concern for the insurance sector, with digitalization and cyber risks, while ESG, insurance and profitability and solvency risks stay at medium levels.
- **EIOPA publishes monthly technical information**
i) Monthly update of the [symmetric](#) adjustment of the equity capital charge for Solvency II (end-April data). ii) Relevant [risk free](#) interest rate term structures under Solvency II (end-April data).

United Kingdom

- **PRA consults on a simpler prudential regime for smaller firms**
Includes a [definition](#) of a type of firm that would qualify for this simplified regime. It seeks to mitigate the complexity problem that arises when the same prudential rules apply to all firms. Deadline: Jul 22, 2022.
- **BoE issues consultation on Real-Time Gross Settlement service**
[Outlines](#) a range of ambitious new features, such as linking RTGS with other platforms to achieve synchronized settlement, enhanced resilience through new ways to connect to RTGS. Deadline: Jun 30, 2022.

United States

- **Agencies consult on proposal to modernize the CRA**
They seeks to: i) [expand access](#) to banking services in certain communities, ii) adapt to changes in the industry (e.g. internet and mobile banking), iii) provide greater clarity, consistency, and transparency, iv) tailor evaluations and data collection to bank size and type, and v) maintain a unified approach. Deadline: Aug 5.
- **OCC and FDIC issue lists of banks examined for CRA compliance**
List of [national banks](#) and federal saving associations, and list of [state non-member](#) banks evaluated for CRA compliance in the last month.
- **CFPB issues supervisory highlights report**
The report identifies certain [improper practices](#) across some consumer financial products and services in the second half of 2021.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *The first climate stress tests for European banks have arrived*. May 2022.
- [Press Article](#). *What is the European Union's social taxonomy for sustainable finance?* April 2022.
- [Press Article](#). *Areas for improvement in the EU crisis management framework (page 124)*. February 2022.
- [Press Article](#). *Seven keys to financial regulation in 2022*. January 2022.

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

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