

# Financial Regulation: Weekly Update

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## Highlights

1. BCBS publishes second consultation on prudential treatment of cryptoassets exposures
2. ECB issues statement on the treatment of the Banking Union in the GSIBs assessment methodology
3. EBA issues opinion on the Mortgage Credit Directive review
4. EMMI publishes the outcome of the second annual review of the hybrid Euribor methodology
5. BdE publishes its decision to maintain the countercyclical capital buffer at 0%

## Global

- **BCBS publishes second consultation on prudential treatment of cryptoassets exposures**  
It builds on the preliminary [proposals](#) of the first consultation and the responses received from stakeholders. It proposes a classification of cryptoassets and the corresponding prudential treatment. Deadline: Sep 30, 2022.
- **IAIS issues report on supervisors' use of key indicators to assess insurer conduct**  
It [presents](#) findings from a survey of IAIS members on current supervisory approaches and challenges related to using key indicators, covering: number and type of indicators and challenges encountered by supervisors.

## Europe

- **ECB issues statement on the treatment of the Banking Union in the G-SIBs assessment methodology**  
A parallel set of G-SIB scores will be calculated to recognize 66% of the score reduction that would result from treating intra-European Banking Union exposures as [domestic exposures](#) under the G-SIB methodology.
- **EBA issues opinion on the Mortgage Credit Directive review**  
It [proposes](#), within the review, to facilitate the smooth functioning of the internal market for mortgages, foster a level-playing field across all types of lenders and ensure a higher level of consumer protection.
- **EMMI publishes the outcome of the second annual review of the hybrid Euribor methodology**  
[Benchmark](#) remains robust, resilient, and representative of its underlying market but four relevant adjustments have been identified and will be implemented as from October 3, 2022.
- **EMMI launches consultation on the euro forward-looking term rate (EFTERM)**  
Seeks input on the [EFTERM methodology](#) based on recommendations issued by the Euro Risk Free Rate Working Group. Deadline: Aug 31, 2022.

- **EBA adopts decision on reporting from investment firms' competent authorities to EBA**  
This [decision](#) sets the scope, timing and modalities of the data submission via the European Centralized Infrastructure of Data (EUCLID). The first submission is expected by December 31, 2022.
- **ESAs issue statement on new packaged retail and insurance-based investment products rules**  
EC postponed the [application date](#) of certain PRIIPs-related disclosures to January 1, 2023 and ESAs expect NCAs to take the statement into account during their supervision of PRIIPs.
- **ESMA issues letter on the findings of its call for evidence on ESG ratings**  
[Feedback](#) received is indicative of an immature but growing market which has seen the emergence of a small number of large non-EU providers, and shows the need for introducing regulatory safeguards for ESG ratings.
- **ESMA issues statement on the recognition of two U.S. CCPs**  
It recognizes two CCPs [established](#) in the U.S. as Tier 1 CCPs under Art. 25 of EMIR. This follows the equivalence decision made by the EC for CCPs authorized and supervised by the SEC.
- **EBA issues report on asset encumbrance**  
The [encumbrance](#) ratio increased after the outbreak of the COVID-19 pandemic but shows signs of stabilization. Increasing encumbrance ratios might lead to adverse feedback loops.
- **EBA issues guidelines on data collection of high earners and on remuneration and gender pay gap**  
To reflect the amended [remuneration framework](#) and additional [requirements on gender pay gap](#) laid down in the CRD and the Investment Firms Directive and Investment Firms Regulation.
- **SRB issues its annual report**  
It [highlights](#) the progress made in ensuring banks are resolvable. It focuses on: i) implementing BRRD 2, ii) building the SRF, and iii) monitoring banks. It also worked on crisis readiness and fine-tuning resolution plans.
- **ESRB publishes its 2021 annual report**  
It covers the period between 1 April 2021 and 31 March 2022 and [aims](#) to ensure transparency and accountability on how the ESRB delivered on its mandate and is addressed to co-legislators in the EU.
- **ESMA issues statement on the publication of systematic internaliser (SI) data**  
It will [not publish](#) the Aug 1 publication of the SI regime data for non-equity instruments other than bonds, due to operational constraints which prevent it from performing the scheduled calculations.
- **EIOPA publishes its annual report on supervisory activities**  
It [highlights](#) the most important deliverables achieved during the year, including a review of the priorities in the field of supervisory convergence to take stock of emerging and future challenges.

## Spain

- **BdE publishes its decision to maintain the countercyclical capital buffer at 0%**  
After analyzing the macro-financial environment and lending developments, paying particular attention to the situation in the real estate market, BdE has decided to hold the [CCyB](#) at 0% in the third quarter of 2022.

- **CNMV consults on best practices code for institutional investors, asset managers and voting advisors**  
It [publishes](#) seven principles on best practices, their application will follow the principle of proportionality and will be voluntary with an adaptation period of 3 years. Deadline: Sep 16, 2022.
- **MinECO approves the draft reform of the Securities Markets Law**  
It [aims](#) to modernize the securities markets in order to improve and enhance their ability to finance the economy and strengthen the supervisory regime applicable to investment services companies.

## United Kingdom

- **FCA consults on the winding down ‘synthetic’ sterling LIBOR and US dollar LIBOR**  
The aim is to [review](#) its decision to continue the publication of the 1-, 3- and 6-month sterling LIBOR and to understand whether there are barriers to transitioning outstanding US dollar LIBOR contracts. Deadline: Aug 24, 2022.
- **PRA publishes letter on the timeline for preapplications of internal models under FRTB**  
Assuming an [implementation](#) of Basel 3.1 on Jan 2025, entities shall submit pre applications materials at least 12 months in advance. Entities should expect to have to use the SA until the review of the IMA is complete.
- **BoE publishes final policy on EMIR 2.2 and consultation on fees for non-UK FMIs**  
It presents its [approach](#) to ‘tiering’ incoming CCPs based on the level of risk they could pose to UK financial stability. It also consults on the fees for the recognition and monitoring of non-UK FMIs. Deadline: Sep 15.
- **BoE and PRA issue their annual reports**  
The [reports](#) provide information on their activities and finances for the preceding year. They have also published reports on asset purchases, covid financing facilities, climate change and market operations.
- **PRA issues policy statement on fees and levies**  
It presents its [final policy](#) on the fee rates for the financial period Mar 1, 2022 to Feb 28 2023.

## United States

- **Agencies issue host state loan-to-deposit ratios**  
The new ratios replace those from June 2021. These are used to [evaluate compliance](#) with regulations that prohibit establishing/acquiring branches outside the primary state for the purpose of only acquiring deposits (without reasonably helping to meet credit needs).
- **FRB issues statement on the new Fedwire Funds Service message format**  
It announces the final timeline and [implementation](#) details for the adoption of a new message format for the Fedwire Funds Service (a real-time gross settlement system). Implementation date: Mar 10, 2025.
- **CFPB issues an interpretative rule and an advisory opinion**  
i) It [affirms](#) that, with limited exceptions, there is flexibility to enact state-level laws stricter than the federal Fair Credit Reporting Act. ii) It [affirms](#) that federal law prohibits debt collectors from charging “pay-to-pay” fees (imposed on consumers who want to make a payment in a particular way)

**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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