

Financial Regulation: Weekly Update

Matías Cabrera and Inés Criado

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Highlights

1. CPMI and IOSCO publish final guidance on stablecoin arrangements
2. FSB issues statement on international regulation and supervision of cryptoasset activities
3. FSB outlines progress made on addressing financial risks from climate change
4. FSB publishes report on the strategies to address the effects of Covid-19 on the financial sector
5. ESMA consults on rules for recognition under the Benchmarks Regulation and on MiFID II product governance guidelines

Global

- **CPMI and IOSCO publish final guidance on stablecoin arrangements**
It reconfirms that if a [stablecoin](#) arrangement performs a transfer function and is determined by authorities to be systemically important, it would have to observe all the relevant principles of the PFMI.
- **FSB issues statement on international regulation and supervision of cryptoasset activities**
It outlines the work that the [FSB](#) is carrying out on promoting international consistency in the regulation and supervision of crypto-assets, under the principle of “same activity, same risk, same regulation”.
- **FSB outlines progress made on addressing financial risks from climate change**
It [takes](#) stock of progress by SSBs and other international organizations on the actions coordinated through the Roadmap, outlines areas for further attention, and provides updates where needed to the roadmap actions.
- **FSB publishes report on the strategies to address the effects of Covid-19 on the financial sector**
It [highlights](#) that the recovery from the economic impacts of Covid-19 has been divergent across jurisdictions and Russia’s invasion of Ukraine added further challenges. The final report will be delivered on Nov 22 and address these issues going forward.
- **BCBS publishes RCAPs on the implementation of NSFR and LEX in the EU**
The Regulatory [Consistency](#) Assessment Programme finds that both the NSFR standard and the Large Exposure (LEX) framework applied in the EU are largely compliant with the Basel Committee’s standards.
- **CPMI publishes framework for cross-border payments**
To help [payment](#) system operators and authorities understand and evaluate the benefits, challenges and risks of interlinking arrangements. Also gives an overview on trends in those arrangements and on adoption of APIs.

- **IOSCO report on operational resilience of trading venues & market intermediaries during the pandemic**
It [describes](#) the impact of the pandemic on these entities, emphasizing that the regulated entities continued to serve their clients and the broader economy, despite unprecedented challenges.
- **IOSCO (GEMC) publishes recommendations on the use of innovation facilitators**
The Growth and Emerging Markets Committee has published a report with four [recommendations](#) to consider when establishing innovation facilitators (innovation hubs, regulatory sandboxes and regulatory accelerators).

Europe

- **ESMA consults on rules for recognition under the Benchmarks Regulation**
The proposed [amendments' objective](#) is to align the information provided in a recognition application with the changes introduced to the BMR in the ESAs Review. Deadline: Sep 9, 2022
- **ESMA consults on MiFID II product governance guidelines**
It [proposes](#) updating the product governance guidelines following recent regulatory and supervisory developments, including the 2021 common supervisory action on product governance. Deadline: Oct 7, 2022.
- **ESMA publishes update on third-country CCPs recognition**
It announces the way forward for [third-country CCPs](#) whose applications for recognition, under EMIR, were suspended until June 28, 2022. It includes pending recognition decisions, and refusals of recognition.
- **ECB publishes bulletin on the financial risk of crypto-assets**
It [looks](#) at the risks and policy implications of certain crypto-asset segments, as well as the potential impact of crypto-assets on climate transition risk.
- **SRB publishes assessment of banks resolvability**
First state-of-play for [resolvability](#) in the Banking Union. It highlights good progress on key priorities (particularly larger banks) against the benchmark posed by phase-in of the Expectations for Banks.
- **ESMA consults on the scope of clearing obligations (CO) and derivatives trading obligations (DTO)**
It [introduces](#) additional classes to the scope of the CO and of the DTO. These changes complement the first set of changes developed also in the context of the benchmark transition.
- **ESMA consults on cash penalty process for cleared transactions**
It [seeks](#) stakeholder views on simplifying the process of collection and distribution of cash penalties for settlement fails relating to cleared transactions. Deadline: Sept 9, 2022.
- **ESMA consults on guidelines on applying for permission to operate a DLT market infrastructure**
It [seeks](#) feedback on the guidelines to establish standard forms, formats and templates to apply for permission to operate a DLT market infrastructure. Deadline: Sept 9, 2022.
- **ESMA publishes an opinion on the classification of third country counterparties**
It clarifies how [third-country](#) financial entities should be classified in the weekly positions reports on commodity derivatives and emission allowances derivatives under MiFID II.
- **ESMA publishes statement on Legal Entity Identifier (LEI) requirements for third-country issuers**
ESMA and NCAs will closely [monitor](#): i) the evolution of the issuance of LEI for third-country issuers; ii) the population of the field "LEI of the issuer"; & iii) structural evolution of the SFT markets in the EU.

- **ESRB publishes opinion on data quality issues and risk for financial stability**
It [highlights](#) the difficulties that persistent data quality issues pose for the adequate monitoring of financial stability risks and how they may relate to underlying risk management problems.
- **ESMA publishes correction on double volume cap (DVC) results**
It [updates](#) the DVC publication following a data correction submitted by a reporting entity. This data correction impacts the results for five ISINs for which the suspension is erroneously revoked from July 12, 2022.
- **EIOPA consults on a draft supervisory statement on differential pricing practices**
To [strengthen](#) consumer protection by preventing the unfair treatment of consumers and to promote greater convergence in the supervision of differential pricing practices. Deadline: Oct 7, 2022

United Kingdom

- **PRA and FCA consult on margin requirements for non-centrally cleared derivatives**
It [sets out](#) proposals to update the list of instruments as eligible collateral for bilateral margin, to introduce fall-back transitional provisions for certain firms. Deadline: Oct 12, 2022.
- **PRA consults on proposal regarding ISPVs**
It seeks comments on the [proposed changes](#) in the approach to authorizing and supervising Insurance Special Purpose Vehicles (ISPVs). Deadline: Oct 11, 2022.

United States

- **OCC publishes CRA evaluations**
It presents the [performance](#) evaluations under CRA for national banks and federal saving associations that became public during June 2022.

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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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
bbvarsearch@bbva.com www.bbvarsearch.com