

Financial Regulation: Weekly Update

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Highlights

1. EBA launches its 2022 EU-wide transparency exercise
2. EBA updates data used for the identification of global systemically important institutions (G-SIIs)
3. EBA publishes guidelines on transferability to complement the resolvability guidelines
4. ECB consults on guide of how to assess buyers of qualifying stakes in banks
5. ESRB issues a warning about risks to EU financial stability

Global

- **BCBS-CPMI-IOSCO publish report on margin practices**
It examines [margin calls](#) in March/April 2020, and the extent to which market participants were prepared to meet them. It highlights the need for further policy work and issues recommendations in six areas.
- **BCBS publishes RCAP for NSFR and LEX in Japan**
The [assessment](#) report on the implementation of global standards finds that Japanese regulations are compliant with the net stable funding ratio standard, and largely compliant with the large exposures framework.

Europe

- **EBA launches its 2022 EU-wide transparency exercise**
Based on [supervisory](#) reporting data and as a part of its efforts to monitor risks and vulnerabilities, and to reinforce market discipline. The results are expected to be published at the beginning of December.
- **EBA updates data used for the identification of global systemically important institutions (G-SIIs)**
It is the first time the EBA discloses data items specific to the recognition of the [Banking Union](#) and of institutions that are part of the Single Resolution Mechanism.
- **EBA publishes guidelines on transferability to complement the resolvability guidelines**
It seeks to support the [resolvability assessment](#) for transfer strategies, providing guidance on: i) definition of the transfer perimeter and, ii) steps to operationalize the implementation of the transfer.
- **ECB consults on guide of how to assess buyers of qualifying stakes in banks**
It [explains](#) who is obliged to undergo qualifying holding assessments, the documentation required to apply and how the ECB assesses these transactions. Deadline: Nov 9, 2022.

- **ESRB issues a warning about risks to EU financial stability**
It calls for resilience in the financial system to be [preserved](#) or enhanced in order to support the economy if these risks materialize.
- **EBA publishes its work programme for 2023**
EBA will continue delivering on the [priorities](#) defined for the period 2022-2024 in its programming document with particular attention to the European ESG agenda and digital issues.
- **ESMA consults on guidance on market outages**
It seeks [feedback](#) on its approach on how National Competent Authorities should ensure that trading venues have appropriate communication protocols in case of market outage. Deadline: Dec 16, 2022.
- **ESMA publishes report on the Distributed Ledger Technology pilot regime**
It [provides](#) guidance on technical elements and makes recommendations on compensatory measures on supervisory data to ensure a consistent application by DLT market infrastructures from the start of the regime.
- **ESMA publishes statement on the impact of inflation on investment services to retail clients**
It [reminds](#) investment firms of relevant MiFID II requirements as they may play a role in considering inflation risk when distributing investment products and when providing investment services to retail clients.
- **ESMA publishes an update on commodity derivatives under MiFID II and MiFIR**
Revised Q&A [document](#) reflecting mainly the amendments introduced by the Recovery Package for commodity derivatives, which has introduced significant changes to the EU commodities derivatives framework.
- **EIOPA publishes supervisory statements on systemic events and cyber exposures**
Statements [on](#) exclusions in insurance products in relation to risks arising from systemic events (i.e. pandemic, natural catastrophes or large cyber-attacks) and the management of non-affirmative cyber exposures.

Spain

- **BdE consults on a draft circular on confidential financial information on covered bonds**
It [regulates](#) information that issuers of covered bonds must communicate to BdE on the admissibility of assets, the cover pool liquidity buffer, and other information that could be needed. Deadline: Oct 14, 2022.
- **CNMV publishes statement on asset valuation criteria that backs the issue of mortgage participations**
[Criteria](#) of the Spanish Treasury regarding RDL 24/2021 regarding the valuation criteria of the assets that back the issuance of mortgage participations and mortgage transfer certificates.

United Kingdom

- **FCA announces decision on cessation of 1- and 6-month synthetic sterling LIBOR at end-March 2023**
It [has no intention](#) to use its powers to compel IBA to continue to publish the 1- and 6-month synthetic sterling LIBOR, therefore these settings will permanently cease immediately after final publication on 31 March 2023.
- **PRA issues consultation on depositor protection**
It sets out [proposals](#) on: continuity of access rules, dormant accounts, temporary high balances, protection for deposits that are safeguarded funds, protection for firms in default, withdrawal rights on deposit transfer, notification requirements, and risk based levies. Deadlines: Oct 21 and Dec 16.

- **BoE publishes guidance on 2022 stress test (ST) for participants**
It provides [guidance](#) for conducting the analysis. Additionally, analysis will be performed to assess the impact on participants' capital and leverage ratios. The final ST results may differ from participants' own submissions.
- **PRA updates rules and supervisory expectations on the definition of capital**
Contains PRA's [final policy](#) regarding own funds and eligible liabilities and definition of capital. These changes will come into effect on 1 Jan 2023.

United States

- **FRB announces that six of the nation's largest banks will participate in a pilot climate scenario exercise**
It is [designed](#) to enhance the ability of supervisors and firms to measure and manage climate-related financial risks. The pilot exercise will be launched in early 2023 and is expected to conclude around the end of the year.
- **FRB consults on operational risk requirements for systemically important financial market utilities**
To [address](#) four key areas: incident management; business continuity management; third-party risk management; and review of operational risk management measures. Deadline: 60 days from the date of publication in the Federal Register.
- **FRB consults on guidance on commercial real estate loan accommodations for borrowers**
It updates the 2009 interagency [guidance](#), adding a new section on short-term loan accommodations. It also addresses accounting changes to estimate loan losses. Deadline: 60 days from the date of publication in the Federal Register.
- **FRB publishes framework for insurance organizations**
It [establishes](#) a supervisory rating system for firms based on their risk profiles and describes how examiners incorporate the work of state insurance regulators.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Basilea III en Europa: Ajuste a la realidad* (only in Spanish). Aug 2022.
- [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.

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

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