

Financial Regulation: Weekly Update

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Highlights

1. BCBS and EBA publish their respective Basel III monitoring report
2. BCBS issues evaluation on capital and liquidity buffers usability and cyclicalitv and a newsletter on the use of the CCyB
3. BCBS publishes report on Basel III implementation progress
4. ESAs publish final report on disclosures for fossil gas and nuclear energy investments
5. BdE publishes its decision to hold the countercyclical capital buffer at 0%

Global

- **BCBS publishes Basel III monitoring report**
[Capital ratios](#) have increased to their highest levels since the beginning of the exercise. The report also shows the impact of the Basel III framework, with an average increase of 2.4% on T1 minimum capital requirements.
- **BCBS issues evaluation on buffer usability and cyclicalitv and newsletter on the CCyB**
It [highlights](#) the importance of the prudent build-up and use of buffers at banks to smooth the impact of internal and external shocks. It supports the approach of setting a positive cycle-neutral countercyclical capital buffer rate on a voluntary basis.
- **BCBS publishes report on Basel III implementation progress**
It updates the level of adoption of [Basel III standards](#) in member jurisdictions. Shows further progress, both in the implementation of standards with past due date and outstanding standards due in Jan 2023.

Europe

- **EBA publishes Basel III monitoring report**
The full [Basel III](#) implementation would result in an average increase of 15% of T1 minimum capital requirement. The output floor is the main driver of the impact followed by credit risk and operational risk.
- **ESAs publish final report on disclosures for fossil gas and nuclear energy investments**
They [propose](#) to add specific disclosures to provide transparency about investments in taxonomy-aligned gas and nuclear economic activities. These disclosures will help investors make informed decisions.

- **EBA publishes technical package for phase 3 of its 3.2 reporting framework**
It [covers](#) guidelines for credit institutions and investment firms on: i) remuneration benchmarking and gender pay gap; & ii) high earners.
- **EC issues equivalence decision for CCPs in Colombia**
It states that for the [purposes](#) of Article 25(6) of EMIR, the legal and supervisory arrangements of the Republic of Colombia applicable to CCP are equivalent to the requirements laid down in the EU.
- **ESMA publishes report on crypto-assets and their risks for financial stability**
The [report](#): i) identifies risks in the market for crypto-assets, a potential source of financial instability; and ii) analyzes the interlinkages with traditional markets.
- **ESRB publishes its quarterly risk dashboard**
This is a set of quantitative and qualitative [indicators](#) of systemic risk in the EU financial system. It should not be considered to be a policy statement on systemic risks.
- **EIOPA calls for better value for money in bancassurance in warning to banks and insurers**
[Aimed](#) at insurers and banks acting as insurance distributors to ensure that credit protection insurance products offer fair value to consumers.

Spain

- **BdE publishes its decision to hold the countercyclical capital buffer at 0%**
After analyzing the macro-financial environment and the situation in the real estate market, BdE has decided to hold the [CCyB](#) applicable to banks for their credit exposures in Spain at 0% in the fourth quarter of 2022.
- **BdE consults on a draft circular amending the Central Credit Register**
It [proposes](#) that as of January 2, 2023, entities must report to the Central Credit Register, individually, all the operations of the holders whose risk accumulated in the entity is equal to or greater than 3,000 euros.
- **CNMV publishes statement on upcoming regulations for Collective Investment Institutions**
It has established [procedures](#) to facilitate the required changes and offers its collaboration for clarifications regarding the entry into force in 2023 of various European regulations that affect SIs.

United States

- **FSOC publishes report on digital asset financial stability risks and regulation**
It reviews [financial stability](#) risks and regulatory gaps posed by different types of digital assets, providing recommendations to address and mitigate such risks, while realizing the potential benefits of innovation.
- **FinCEN issues final rule on beneficial ownership reporting**
The [Financial Crimes](#) Enforcement Network's new rule requires most corporations to report information about their ultimate owners, in order to stop criminal actors from hiding their illicit proceeds.

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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