

Financial Regulation: Weekly Update

Matías Cabrera and Inés Criado

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Highlights

1. FSB consults on high level recommendations to crypto-asset activities regulation and supervision
2. FSB publishes reports on supervisory and regulatory approaches to climate-related risks, and on climate related disclosures
3. European Commission publishes its report on the review of the Securitization Regulation
4. EBA publishes update on the monitoring report of TLAC/MREL instruments
5. SRB and ECB reach an “in principle” agreement on the margin for redeeming eligible liabilities

Global

- **FSB consults on high level recommendations to crypto-asset activities regulation and supervision**
Seeks to [promote](#) consistency of regulation, supervision and oversight of crypto-asset activities and markets, and to strengthen international cooperation and information sharing. Deadline: Dec 15, 2022.
- **FSB publishes report on supervisory and regulatory approaches to climate-related risks**
Seeks to [assist](#) authorities in monitoring and mitigating cross-sectoral and system-wide risks arising from climate change, promoting a consistent approach across sectors and jurisdictions.
- **FSB publishes progress report on climate-related disclosures**
It [takes stock](#) of progress made over the past year by the new global standard-setter, national and regional authorities and firms.
- **FSB publishes progress report and its priorities on cross-border payments**
Two years after the Roadmap, it [publishes](#) the priority issues for the next phase along with a report on the progress made, bringing together the wide-ranging, interconnected work under different building blocks.
- **IOSCO issues regulatory measures for risks from digitalization of retail marketing and distribution**
It [publishes](#) measures to be considered when determining policy and enforcement approaches to retail online offerings and marketing, so as to assist IOSCO members in adapting their regulatory approach.
- **TCFD publishes its report on the status of climate-related financial disclosures**
In its [2022 status report](#), the Task Force analyses the current state of disclosure practices as well as progress in firms' disclosures in line with the TCFD Recommendations over the past five years.

- **FATF publishes the set of core elements that apply to all AML/CFT assessments**
It [states](#) that all AML/CFT assessment bodies will conduct the next round of assessments in accordance with the FATF 2013 Methodology. However, there will be some flexibility in the procedural arrangements.

Europe

- **EC publishes its report on the review of the Securitization Regulation**
It [identifies](#) a number of improvements to the framework's functioning, notably on the proportionality of certain requirements, that will be pursued without changes to the Securitization Regulation itself.
- **EBA publishes a thematic note on EU banks' residential real estate exposures**
It [analyzes](#) vulnerabilities stemming from residential real estate exposures and states that banks should follow prudent loan origination policies and enhance their monitoring of mortgage loan portfolios.
- **EBA publishes update on the monitoring report of TLAC/MREL instruments**
It observes that previous [recommendations](#) have been, in general, well implemented. However, it identifies the need for a few new notable provisions to be recommended and for some others to be avoided.
- **EBA publishes clarifications on disclosure guidelines replaced by ITS on Pillar 3 disclosure**
It [repeals](#) three outdated disclosure guidelines and amends the scope of application of GL on the disclosure of NPE and forbore exposures, ensuring a sufficient level of transparency on credit quality.
- **EBA publishes its quarterly risk dashboard**
It [covers](#) the main risks and vulnerabilities in the EU banking sector and shows that capital ratios remained broadly stable and liquidity ratios declined slightly.
- **ESMA consults on the implementation of the revised shareholders rights directive**
It aims to [collect](#) information on the identification of shareholders, the transmission of information and the facilitation of exercising shareholder rights, and the transparency of proxy advisors. Deadline: Nov 28.
- **SRB & ECB reach an "in principle" agreement on the margin for redeeming eligible liabilities**
Agreement on the margin that [institutions](#) have to comply with to be authorized to redeem eligible liabilities. The margin will be the lower of either the requested GPP predetermined amount or the institution's P2G.
- **EMMI announces the launch of the euro forward-looking term rate EFTERM**
It [announces](#) the launch of EFTERM on November 14, 2022. This new fallback rate will help EURIBOR users to comply with the relevant legal requirements under the EU Benchmarks Regulation.
- **ESMA publishes strategic priorities for the next five years**
[Focuses](#) on effectiveness and stability of EU markets, enhancing retail investor protection, strengthening supervision, enabling sustainable finance and facilitating technological innovation and use of data.
- **ESMA publishes its 2023 annual work program**
Main [priorities](#): i) sustainable finance roadmap; ii) adapting to digitalization and enhancing access to and quality of supervisory data; iii) protection of retail investors; iv) convergence of supervision and regulation.

- **ESMA publishes strategic objectives in relation to CCPs supervision**
Its CCP Supervisory Committee issues the 2023-2025 [strategic objectives](#): i) strengthening EU CCP resilience; ii) addressing third-country CCP cross-border risks; and iii) deepening risk and data-driven supervision.
- **EIOPA publishes follow up report on AMSB propriety assessment**
It [assesses](#) how NCAs have implemented actions recommended on the propriety assessment of administrative, management and supervisory body (AMSB) members and qualifying shareholders.
- **EIOPA publishes monthly technical information for Solvency II**
Technical information with reference to end of September on i) relevant [risk free interest rate](#) term structures and ii) on the symmetric adjustment of the [equity capital charge](#).

United Kingdom

- **BoE publishes results of first public CCP Supervisory Stress Test**
It explores [individual](#) and system-wide resilience of UK CCPs and their clearing services. Overall, they are resilient to the baseline stress scenario and simultaneous defaults, from a credit and liquidity perspective.
- **PRA consults on supervisory expectations in relation to the risks from contingent leverage**
It sets out the [update](#) of its supervisory expectations for firms undertaking an Internal Capital Adequacy Assessment Process (ICAAP).
- **PRA consults on Artificial Intelligence and machine learning**
It [seeks](#) to further understand how AI may affect financial services and markets. It is part of the supervisory authorities' wider program of work related to AI. Deadline: Feb 10, 2023.
- **FCA updates guidance for branch closures**
It [sets](#) additional expectations for banks that are considering branch or ATM closures to carry out thorough checks on the impact permanent closures will have on customers to help protect access to cash.

United States

- **Agencies announce thresholds for Regulation Z and M, and for exemption from appraisal**
i) Dollar [thresholds](#) to determine whether certain consumer credit and lease transactions are exempt from Regulation Z and Regulation M. ii) Threshold for [exempting loans](#) from special appraisal requirements for certain mortgage loans (increases from \$28,500 to \$31,000).
- **SEC reopens comment periods for several rules**
Due to [technological](#) errors when receiving certain comments, deadlines from several proposals and rulemakings are opened again. The new deadlines will depend on the affected release.

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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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
bbvaresearch@bbva.com www.bbva.com