

Financial Regulation: Weekly Update

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Highlights

1. ECB publishes results of the 2022 thematic review on climate-related and environmental risks and publishes good practices for environmental risk management
2. ECB issues opinion on Spain's temporary levy on banks
3. EC publishes the Supranational Risk Assessment Report on AML/FT
4. ECB publishes statement on macroprudential policies
5. EBA publishes assessment on the application of the supporting factor

Global

- **FATF publishes the list of jurisdictions with deficiencies in their regimes on AML/FT**
It [includes](#) 23 countries with strategic deficiencies that are subject to an Action Plan and for which the FATF recommends taking into consideration the deficiencies and risks detected in them.

Europe

- **ECB publishes results of the 2022 thematic review on climate-related and environmental risks**
It [shows](#) that banks are still far from adequately managing climate risks: most lack sophisticated methodologies and granular information on climate risks and 96% have blind spots in identifying these risks.
- **ECB publishes good practices for climate-related and environmental risk management**
It has also [released](#) a compendium of good practices observed in some banks, demonstrating that swift progress is possible and aiming to facilitate the improvement of practices across the sector.
- **ECB issues opinion on Spain's temporary levy on banks**
Non-binding [opinion](#) warning that the levy does not account for the full business cycle and does not include, inter alia, operational expenses and the cost of credit risk. Therefore, it might not be commensurate with the profitability of the credit institution.
- **EC publishes the Supranational Risk Assessment Report on AML/FT**
It [analyses](#) the money laundering and terrorist financing risks that 43 products and services, grouped within eight categories

- **ECB publishes statement on macroprudential policies**
It is exploring whether an [increase](#) of macroprudential capital buffers in some countries with still robust macroeconomic conditions and macro-financial imbalances is still warranted to preserve banks' resilience.
- **EBA publishes assessment on the application of the supporting factor**
The [report](#) finds that the data collected is not sufficient to conclude on the impact of the ISF on lending or the consistency of the riskiness of the affected loans with the own funds requirements.
- **ECB issues statement on EP feedback on its Banking Union Annual Report**
It [focuses](#) on: i) general state of the banking system, ii) the impact of a digital euro, iii) gender balance in financial institutions, iv) climate-related risks, v) lending rates for mortgages and SMEs, vi) AML, vii) transparency in supervision and viii) banking union and resolution.
- **ESMA publishes decision to withdraw the recognition of six CCPs in India**
Their [recognition](#) decisions will be withdrawn, as no cooperation arrangements have been concluded between ESMA and their relevant authorities (failing to comply with EMIR's requirements). Effective date: Apr 30, 2023.
- **ESMA publishes data for the systematic internalizer calculations**
It [covers](#) the total number of trades and total volume from Apr 1 - Sept 30 2022 for the purpose of systematic internalizer calculations under MiFID II.
- **SRB and Central Bank of Montenegro sign new deal on cooperation**
The new [arrangement](#) is on the exchange of information and cooperation on Resolution planning and implementation for banks with cross-border operations.
- **EIOPA issues methodology to assess value for money in the unit-linked market**
It outlines a [common European approach](#) on how to identify unit-linked products which may offer poor or no value for money and require close monitoring by NCAs to ensure risks are sufficiently monitored.

United Kingdom

- **FCA publishes final rules and guidance for FCA regulated pension providers**
Final rules aim to ensure that regulated [pensions providers](#) are ready to provide and enable information about personal and stakeholder pensions for pension dashboards. Rules must be implemented by 31 August 2023.

United States

- **SEC proposes enhancements to open-end fund liquidity framework**
The rule and form [amendments](#) would enhance how funds manage their liquidity risks to better prepare open-end funds for stressed conditions and to mitigate dilution of shareholders' interests.
- **SEC adopts amendments to Form N-PX**
The [adopted](#) rules and form amendments are aimed at enhancing transparency of fund and institutional investment manager proxy voting records.

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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