

# Financial Regulation: Weekly Update

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## Highlights

1. European Council agrees its position on the implementation of Basel III reforms
2. IOSCO consults on the development of sound and well-functioning carbon markets
3. EBA publishes methodology and draft templates for the 2023 EU-wide stress test
4. EBA issues opinion on the operationalization of intermediate EU parent undertakings of third country groups
5. EBA issues statement on its commitment to a more resilient and sustainable financial system

## Global

- **IOSCO consults on the development of sound and well-functioning carbon markets**  
It calls for [feedback](#) on recommendations for establishing sound compliance carbon markets and on considerations for enhancing the resilience and integrity of voluntary carbon markets. Deadline: Feb 10, 2023.
- **IOSCO outlines regulatory priorities for disclosures, greenwashing and integrity in carbon markets**  
It [highlighted](#) the importance of maximizing interoperability of standards and aligning key climate disclosures; well-functioning carbon markets and mitigating greenwashing to ensure trust underpins sustainable finance.
- **FSB publishes progress report on enhancing the resilience of non-bank financial intermediation**  
It presents [policy proposals](#) to address systemic risk with focus on activities and types of entities that may particularly contribute to aggregate liquidity imbalances and the transmission and amplification of shocks.
- **FSB publishes report on the 2022 implementation progress of OTC derivatives market reforms**  
It [focuses](#) on: i) capital requirements for non-centrally cleared derivatives (NCCDs), ii) margin requirements for NCCDs, iii) trade reporting, iv) central clearing and, v) platform trading.

## Europe

- **European Council agrees its position on the implementation of Basel III reforms**  
The [agreement](#) includes the application of the output floor both at individual and consolidated level and other technical improvements to the areas of credit, market and operational risk. The Parliament still needs to agree its position so that trilogues can begin.

- **EBA publishes methodology and draft templates for the 2023 EU-wide stress test**  
It [uses](#) a constrained bottom-up approach with some top-down elements. Balance sheets are assumed to be constant. The results will be published by the end of July 2023.
- **EBA issues opinion on the operationalization of EU IPUs of third country groups**  
It [aims](#) to ensure a harmonized and effective application in the EU of the requirements introduced by art. 21b of the revised CRD V (Intermediate Parent Undertaking). Addressed to competent and resolution authorities.
- **EBA issues statement on its commitment to a more resilient and sustainable financial system**  
It [presents](#) its priorities to ensure a robust management of ESG risks and its work for enhancing market transparency and translating sustainability considerations into risk management practices and supervision.
- **SRB publishes MREL dashboard Q2 2022**  
It provides more [transparency](#) by category of bank and resolution strategy. It finds that the average MREL final target remains stable, and the average shortfall declined with respect to the 2024 final target.
- **SRB publishes bi-annual reporting note to Eurogroup**  
It [focuses](#) on: i) resolvability progress of SRB banks, ii) build-up of the SRF, and iii) lessons learned from recent cases.
- **EIOPA publishes risk dashboard for 2Q22**  
Insurer's [exposure](#) to macro and market risks are currently the main concern for the sector. All other risk categories, including profitability, solvency, climate, digitalization and cyber risks stay at medium levels.
- **EIOPA publishes monthly technical information for Solvency II**  
Technical information on the relevant [risk-free interest](#) rate term structures, and on the symmetric adjustment of the [equity capital](#) charge, with references to the end of October 2022.

## Spain

- **CNMV publishes its quarterly bulletin**  
It [includes](#) the market situation report, which describes the existing complex financial landscape, marked by high uncertainty, resulting from high inflation and the shift in monetary policy.

## United Kingdom

- **PRA consults on Solvency II reporting and disclosure requirements for insurers**  
It [sets out](#) its proposals to streamline significantly a number of current Solvency II reporting and disclosure requirements, and to improve the collection of data in a small number of areas. Deadline: May 8, 2023.

## United States

- **FRB publishes its supervision and regulation report**  
Semiannual [report to inform](#) the public and summarize the supervisory and regulatory policies and actions, as well as current banking conditions.

- **CFTC issues consultations on a proposed rule and a proposed order**  
Proposed rule on [reporting](#) and information requirements for derivatives clearing organizations, and proposed order on an application for a capital comparability determination for nonbank swap dealers subject to Mexican regulation. Deadlines: 60 days post publishing in the Federal Register.
- **CFPB issues guidance on investigation practices by consumer reporting companies**  
It affirms that neither [consumer reporting](#) companies nor information furnishers can skirt dispute investigation requirements.
- **CFPB publishes bulletin regarding crypto-asset complaints**  
The most common [complaints](#) include frauds, theft, account hacks, and scams. It also highlights issues with executing transactions and transferring assets between exchanges.

### 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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