

Financial Regulation: Weekly Update

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Highlights

1. ECON agrees common position on the banking package
2. EBA issues opinion to the EC on the draft European Sustainability Reporting Standards (ESRS)
3. ECB publishes new climate-related statistical indicators to narrow climate data gap
4. ESRB issues recommendation on vulnerabilities in the commercial real estate sector in the EEA
5. EBA issues letter on the prudential treatment of some legacy perpetual bonds from a Norwegian bank

Europe

- **ECON agrees common position on the banking package**
The EP has [voted](#) in favor of a consolidated application of the output floor and to not include a P1 charge for ESG risks. Trilogues will now begin between EP, EC and Council to agree on a final text.
- **EBA issues opinion to the EC on the draft European Sustainability Reporting Standards (ESRS)**
It [believes](#) they are consistent with international standards and other relevant EU Regulation and welcomes the level of alignment with Pillar 3 disclosures, although a few aspects should deserve further consideration.
- **ECB publishes new climate-related statistical indicators to narrow climate data gap**
It has [published](#) a first set of climate-related statistical indicators (experimental and analytical) to better assess the impact of these risks on the financial sector and to monitor the development of sustainable and green finance.
- **ESRB issues recommendation on vulnerabilities in the commercial real estate sector in the EEA**
It [recommends](#) that EU and NCAs improve the monitoring of systemic risks stemming from the commercial real estate sector to identify potential risks to financial stability and to assess possible responses.
- **EBA issues letter on the prudential treatment of some legacy perpetual bonds from a Norwegian bank**
The [instruments](#) cannot count as fully eligible Tier 2 instruments. Instead, they should have been grandfathered under CRR for the following reasons: i) ranking and complexity of the instruments; ii) tax calls and iii) incentives to redeem.
- **ECB signs MoU with the six EU Member States not part of European banking supervision**
It will provide a [framework](#) for the Czech Republic, Denmark, Hungary, Poland, Romania and Sweden to share information and coordinate supervisory activities.

- **ESMA publishes report on preliminary effects of the MCM on EU natural gas derivative market**
It [describes](#) the structure and participants in the market. It focuses on market indicators to assess the potential effects of the Market Correction Mechanism adoption. ESMA has not identified significant impacts.
- **ESMA and UK FCA agree MOU on the recognition of UK benchmark administrators in the EU**
The [new Memorandum Of Understanding](#) with the UK FCA enables ESMA to start recognizing benchmarks administrators from the UK and establishes cooperation and the exchange of information agreements.

Spain

- **MinECO publishes the list of entities adhered to the Code of Good Practices for mortgage debtors**
The [adhesion](#) of the main [banks & savings banks](#) (54) will allow more than 97% of mortgages to be covered by the code of good practices that will alleviate the situation of the families affected by the rise in the Euribor.

United Kingdom

- **HM Treasury issues consultations on insurers' resolution framework**
It sets out [proposals](#) to align the UK to international standards in insurer resolution, providing the BoE with new powers and tools to enhance financial stability in the event of insurer failure. Deadline: Apr 20, 2023.
- **PRA publishes the results of the insurance stress test 2022 exercise**
The three [objectives](#) of the exercise have been covered: i) assessing sector resilience; ii) supporting capacity building in risk management; and iii) guiding supervisory activity.
- **FCA publishes an update to ancillary activities exemption for commodity derivatives**
It will [enable](#) firms to continue using the ancillary activities exemption for the year ahead (2023-2024).

United States

- **SEC issues consultation on rule to prohibit conflicts of interest in certain securitizations**
The [rule](#) is intended to prevent the sale of asset-backed securities (ABS) that are tainted by material conflicts of interest. Deadline: Mar 26, 2023.
- **CFPB consults on the functioning of consumer credit cards market**
As part of its [biennial review](#), it requests input on how the consumer credit market is functioning, with a focus on various aspects of the consumer experience with credit cards. Deadline: Apr 24, 2023.
- **CFTC approves final rule with corrections to swap dealer regulation**
It makes non-substantive [technical corrections](#) to regulations for swap dealers and major swap participants, also addressing other minor errors. Effective date: 30 days after publication in the Federal Register.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Future challenges in digital regulation* (Spanish only). Jan 2023.
- [Press Article](#). *What can we expect from the sustainable regulatory agenda in 2023?* (Spanish only). Jan 2023.
- [Press Article](#). *Regulatory landscape for 2023* (only Spanish). Dec 2022.
- [Press Article](#). *Whither international Banking Regulation?* Nov 2022.

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

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