

# Financial Regulation: Weekly Update

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## Highlights

1. ECB publishes results from the 2022 SREP
2. EBA issues consultation on ITS supervisory disclosure
3. ESMA issues opinion on the trading venue perimeter
4. EIOPA issues report on the implementation of climate-related adaptation measures
5. HM Treasury and BoE issue consultation on a potential digital pound or CBDC

## Europe

- **ECB publishes results from the 2022 SREP**  
The [results](#) show that banks have solid capital and liquidity positions and increased profitability. Credit risk and internal governance remain key areas for supervisory action.
- **EBA issues consultation on ITS supervisory disclosure**  
The [amendments](#) to the ITS aim to reflect the changes to the EU legal framework under CRR2 and CRD V, in particular those related to supervisory reporting for investment firms.
- **ESMA issues opinion on the trading venue perimeter**  
It [provides](#) guidance on when certain systems and facilities qualify as multilateral and therefore should seek authorization as a trading venue, it builds on the MiFID II definition of multilateral systems.
- **EIOPA issues report on the implementation of climate-related adaptation measures**  
The pilot exercise conducted in 2022, [aims](#) to better understand the industry's current underwriting practices regarding climate change adaptation and to assess their prudential treatment under Solvency II.
- **ESMA issues report on MMF**  
It [provides](#) the first ever comprehensive market-level view of EU MMFs, based on supervisory information collected by NCAs and ESMA.
- **ESMA updates Q&As**  
It has updated its [Q&A](#) on: i) DLT Pilot Regulation; ii) Prospectus Regulation; & iii) application of the UCIT Directive.

- **EIOPA issues supervisory statement on the use of governance arrangements in third countries**  
To [ensure](#) appropriate supervision of the compliance of insurance undertakings and intermediaries with the requirements of the EU legislation in relation to their governance arrangements in third countries.
- **EIOPA publishes its risk dashboard**  
The [results](#) show that insurers' exposures to macro and market risks are currently the main concern for the insurance sector. All other risk categories profitability, solvency, climate and cyber risks stay at medium levels.

## United Kingdom

- **HM Treasury and BoE issue consultation on a potential digital pound or CBDC**  
A [digital pound](#) would be issued by the BoE and could be used by households and businesses for everyday payments in-store and online and would be interchangeable with cash and deposits. Deadline: Jun 7, 2023.
- **BoE issues policy on outsourcing and third-party risk management for FMIs**  
It seeks to: i) facilitate [greater resilience](#) and adoption of the cloud, ii) set out requirements and expectations regarding outsourcing and third-party risk management, and iii) complement statements on FMI operational resilience.
- **FCA issues statement on its approach to digital asset financial promotions regulation**  
It states that, regardless of their location, all [cryptoasset firms](#) marketing to UK consumers will need to comply with the new UK financial promotions regime. Final rules expected once relevant legislation has been made.
- **PRA issues consultation concerning insurers in financial difficulties**  
It introduces [new rules](#) on how the FSCS operates regarding a write-down, new rules on the notification of affected persons, and new statements with the approach and expectations regarding write-down applications. Deadline: Mar 31.

## United States

- **FRB and OCC publish their respective stress test scenarios**  
Hypothetical [scenarios](#) for their 2023 [DFAST](#) applicable to large banks. Results will inform authorities in their assessment of risk profile and capital adequacy.
- **Treasury issues report on cloud-technology**  
It assesses the [potential benefits](#) and challenges associated with the increasing trend of financial sector firms adopting cloud services technology. It also proposes a series of recommendations.
- **CFPB issues guidance on digital mortgage comparison-shopping platforms**  
It describes how firms may violate the law if they coerce payments from [mortgage professionals](#), unlawfully steer consumers, or engage in other illegal referral activities.
- **SEC issues statement on its examination division's priorities for 2023**  
It focuses on: i) new [investment adviser](#) and investment company rules, ii) advisers to private funds, iii) retail investors, iv) ESG, v) information security and operational resiliency and vi) emerging techs and cryptoassets.

**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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