

Financial Regulation: Weekly Update

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Highlights

1. EBA publishes update on important Q&A regarding own funds and eligible liabilities
2. EBA publishes final guidelines on resolution authorities' approach to bail-in tool implementation
3. ECB publishes supervision letter on crypto-assets activities
4. EBA publishes final RTS defining the homogeneity of the underlying exposures in STS securitization
5. EBA seeks input from credit institutions on green loans and mortgages

Global

- **CPMI and IOSCO issue statement on industry progress on CCPs management auctions**
They consider that industry has made [good progress](#) on the issues to be addressed, so no further guidance would be needed at this point in time.
- **IOSCO publishes report on the implementation of Regulator's principles**
The [review](#) notices various approaches to implement principles 1-5 and identifies a number of good practices. Overall, it finds a high level of implementation across member jurisdictions.
- **IAIS consults on roles and functioning of Policyholder Protection Schemes (PPSs)**
It [provides](#) an updated overview of global practices regarding PPSs and their roles in insurance resolution and a variety of related activities. Deadline: Apr 14, 2023.

Europe

- **EBA publishes update on important Q&A regarding own funds and eligible liabilities**
It amends the notion of "[sufficient certainty](#)", which is relevant to define the moment at which a bank has to deduct from its own funds the amount for which it has received a prior permission (before exercising a call option).
- **EBA publishes final guidelines on resolution authorities' approach to bail-in tool implementation**
Addressed to resolution authorities, it seeks to ensure a [minimum harmonization](#) of the information on how authorities would execute write downs and the conversion of capital instruments in the context of the bail-in tool.

- **ECB publishes supervision letter on crypto-asset activities**
[Banks](#) should follow a cautious approach when entering these markets and are expected to comply with Basel standards on the prudential treatment of crypto-assets even if they are not yet legally binding.
- **EBA publishes final RTS defining the homogeneity of the underlying exposures in STS securitization**
RTS [extends](#) the existing work on the RTS on homogeneity for ABCP and non-ABCP securitization in order to ensure consistency for on-balance-sheet securitization with the overall STS framework.
- **EBA seeks input from credit institutions on green loans and mortgages**
It [seeks](#) to collect information on green loans and mortgages as well as market practices to advise the EC on the definition and supporting tools for these loans to retail and SME borrowers. Deadline: Apr 7, 2023.
- **ESMA publishes peer review report on national supervision of Central Securities Depositories**
It [provides](#) important recommendations for NCAs to reinforce their supervision of CSDs providing cross-border services to ensure efficient securities settlement.
- **ESMA publishes Trends, Risks and Vulnerabilities Report of 2023**
ESMA keeps the overall [risk assessment](#) at the highest level. The confluence of high risks and fragile market liquidity may test the resilience of the financial system against possible future shocks.
- **ESRB publishes report on advancing macroprudential tools for cyber resilience**
It [encourages](#) EU authorities to make progress on three elements: i) cyber resilience scenario testing; ii) systemic impact tolerance objectives; iii) financial crisis management tools.
- **EP approves new rules to revive European long-term investment funds (ELTIFs)**
New provisions [aim](#) to facilitate the flow of funds towards the real economy, including green and digital priority areas. New rules should apply nine months after their publication in the EU Official journal.
- **EIOPA consults on professional indemnity insurance cover and financial capacity of intermediaries**
To [adapt](#) the base euro amounts for the professional indemnity insurance cover and financial capacity of insurance intermediaries under the Insurance Distribution Directive. Deadline: May 6, 2023.
- **EIOPA moves to close data gaps by revising reporting of occupational pensions**
The [main changes](#) concern better proportionality measures for small occupational pension funds and the inclusion of information on: i) look-through data on all investments in investment funds; & ii) cross-border data.
- **EC and US Treasury publish joint statement on the US-EU financial regulatory forum**
It [focuses](#) on: 1) market developments and financial stability risks; 2) sustainable finance and climate-related financial risks; 3) regulatory developments in banking and insurance; 4) operational resilience and digital finance; 5) regulatory and supervisory cooperation in capital markets; and 6) AML/CFT.

Spain

- **CNMV consults on a proposal for a technical guide on enhancing the transparency of CIIs**
The draft technical [guide](#) extends the scope of application to all CIIs with a specific profitability objective, regardless of their duration or time horizon. Deadline: Mar 3, 2023.

United Kingdom

- **PRA publishes policy statement on remuneration**
The [policy](#) establishes that deferred claims that comprise the variable pay of Material Risk Takers should not be converted from an equity claim into a claim on other instruments after an award has been made.
- **FCA consults on sustainability-related governance, incentives and competence in regulated firms**
It [aims](#) to encourage an industry-wide dialogue on firms' sustainability-related governance, incentives, and competencies and to help with highlighting good, evolving practices. Deadline: May, 10.

United States

- **CFTC issues statement on reporting delays**
It [reports](#) delays due to the cyber-related incident at ION Cleared Derivatives. For that, the weekly Commitments of Traders report will continue to be delayed until all trades can be reported.
- **SEC adopts rules to reduce risks in clearance and settlement**
The [final rule](#) is designed to benefit investors and reduce the credit, market, and liquidity risks in securities transactions faced by market participants.
- **SEC proposes enhanced safeguarding rule for registered investment advisers**
It [ensures](#) client assets are properly segregated and held in accounts to protect the assets in the event of a qualified custodian bankruptcy or other insolvency.
- **SEC proposes revision to Privacy Act rule**
The [Privacy Act](#) is the principal law governing the handling of personal information in the federal government. The revisions will clarify, update, and streamline the language of several procedural provisions.

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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