

Financial Regulation: Weekly Update

Matías Cabrera and Inés Criado

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Highlights

1. EC publishes report on the application of the Payment Accounts Directive
2. EBA publishes RTS on the prudential consolidation of an investment firm group
3. EBA publishes report on holdings of eligible liabilities issued by G-SIIs and O-SIIs
4. SRB publishes its MREL policy and the dashboard for Q4 2022
5. European Council adopts new rules on markets in crypto-assets (MiCA) and AML rules on crypto-assets

Global

- **IOSCO publishes good practices for the implementation of the Principles for Exchange Traded Funds**
It states that the [Principles](#) remain relevant and appropriate. It aims to ensure that the policy framework remains up-to-date and provides a discussion on major themes and developments on the ETF market.

Europe

- **EC publishes report on the application of the Payment Accounts Directive**
It [shows](#) that the Payment Accounts Directive has achieved its 3 main objectives: nearly universal access to payment accounts, transparency and comparability of fees and ease of switching accounts.
- **EBA publishes RTS on the prudential consolidation of an investment firm group**
It [details](#) the scope and methods for the prudential consolidation, as well as the consolidation of capital requirements and the treatment of minority interests, as well as T1 and T2 instruments issued by a subsidiary.
- **EBA publishes report on holdings of eligible liabilities issued by G-SIIs and O-SIIs**
As of Dec 31, 2021, [cross-holdings](#) appear to be relatively small, therefore potential direct contagion risks due to a bail-in are limited. Nevertheless, there seems to be some outliers with higher-than-average exposures.
- **SRB publishes its MREL policy and the dashboard for Q4 2022**
The [MREL calibration](#) (total and subordinated) published in the 2023 policy has been kept mostly unchanged (with some changes affecting the scope of entities subject to i-MREL). The dashboard shows, among other aspects, that the total MREL shortfall has been reduced significantly over the last quarter of 2022.

- Council adopts new rules on markets in crypto-assets (MiCA)**
This [formal adoption](#) of the regulation is the last step in the legislative process. MiCA will bring crypto-assets, crypto-asset issuers and services providers under a regulatory framework.
- Council adopts AML rules on crypto-assets**
The [Regulation](#) of transfers of funds and certain crypto-assets was finally approved on 16 May. It is awaiting publication in the Official Journal of the European Union and will enter into force 20 days after publication.
- ECB publishes supervisory expectations on the asset quality review (AQR) in the eurozone**
Main [changes](#): collateral haircuts for AQR purposes will incorporate each bank's recovery strategy and loss given default will be estimated based on historical recoveries.
- ESAs issue statement on the effects of inflation and interest rates**
To help [consumers](#) understand how the increases in inflation and interest rates can affect their money through financial products and services, such as loans, savings, financial investments, insurance and pensions.
- SRB publishes its resolution planning cycle booklet 2023**
It informs [stakeholders](#) about the SRB's resolution planning activities describing the main processes and phases of the current Resolution Planning Cycle.
- ESMA calls for legislative amendments to prevent undue costs in funds**
It has published an [opinion](#) to the European Commission with suggested clarifications of the legislative provisions under the UCITS Directive and the AIFMD relating to the notion of "undue costs".
- ESMA finds high degree of concentration in natural gas derivatives markets**
The study [underlines](#) that liquidity and concentration risks are among the main vulnerabilities identified, along with data fragmentation and data gaps.
- ESMA publishes Q&A on SFDR and PRIIPs**
The joint committee of the European supervisory authorities has published consolidated questions and answers on the [Sustainable Finance Disclosure Regulation](#) and the [Package Retail and Insurance-based Investment Product](#).
- SRB publishes its bi-annual reporting note to Eurogroup**
It [aims](#) to report to the Eurogroup on: i) resolvability progress of SRB banks; ii) the Single Resolution Fund (SRF) and Common Backstop; and iii) the SRB's strategic review.
- EIOPA publishes its risk dashboard based on Q4 2022 Solvency II data**
The [analysis](#) shows that insurers' exposures to macro and market risks are currently the main concern for the insurance sector, while all other risk categories are at medium levels.

Spain

- BdE publishes its annual report**
It [remarks](#) that the global economy is suffering the consequences of the biggest rise in inflation in half a century, but in this adverse environment, economic activity was more resilient than expected in Spain in 2022.

- **CNMV publishes report on markets and its agents**

It [describes](#) the situation and prospects with the most relevant figures of the financial markets at the end of the first quarter of the year and of the main agents supervised by the CNMV.

United Kingdom

- **PRA publishes policy statement and supervisory statement on bank risk management principles**

To [implement](#) a robust [framework](#), this includes: i) identification and model risk classification; ii) governance, iii) model development, implementation and use; iv) independent model validation and v) model risk mitigants.

United States

- **CFTC issues advisory on prime brokerage arrangements and derivatives clearing requirements**

It [encourages](#) entities using prime brokerage arrangements that provide credit substitution to examine the specific nature of their activities for the potential need to register as a Derivatives Clearing Organization.

- **FDIC issues consults on rule on special assessment pursuant to systemic risk determination**

To [implement](#) a special assessment to recover the cost associated with protecting uninsured depositors following the closures of Silicon Valley Bank and Signature Bank. Deadline: 60 days following publication in the Federal Register.

- **SEC consults on rules to improve risk management and resilience of covered clearing agencies**

It [amends](#) the existing rules regarding intraday margin and covered clearing agency's risk-based margin system and adds new requirements on recovery and wind-down plan. Deadline: July 17, 2023.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *That's how investments under ESG criteria look like* (Spanish only). May 2023.
- [Press Article](#). *Europe leads the way in regulating of crypto markets* (Spanish only). Apr 2023.
- [Press Article](#). *European banking union: why is it so important to have a common deposit insurance fund?* (Spanish only). Apr 2023.
- [Press Article](#). *Banking regulation in Europe: Is it a good firewall?* (Spanish only). Apr 2023.

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

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ENQUIRIES TO:

BBVA Research: Azul Street, 4. La Vela Building – 4th and 5th floor. 28050 Madrid (Spain).
Tel. +34 91 374 60 00 y +34 91 537 70 00 / Fax (+34) 91 374 25
bbvarresearch@bbva.com www.bbvarresearch.com