

# Financial Regulation: Weekly Update

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## Highlights

1. BCBS publishes press release on policy and supervisor initiatives following latest meeting
2. ECB consults on counterparty credit risk governance and management
3. ECB publishes opinion on a proposal for a directive on corporate sustainability due diligence
4. EBA publishes final ITS on data collection for the benchmarking exercise in 2024
5. ESRB publishes EU Non-bank Financial Intermediation Risk Monitor 2023

## Global

- **BCBS publishes press release on policy and supervisor initiatives following latest meeting**  
[Focus areas](#) include: i) taking stock of recent market turmoil, ii) review of the core principles on effective supervision, iii) work on crypto-assets and iv) climate-related financial risks.

## Europe

- **ECB consults on counterparty credit risk governance and management**  
It [consults](#) on its report on sound practices in CCR governance and management. It summarizes the results of a targeted review and includes good practices and areas for improvement. Deadline: July 14, 2023.
- **ECB publishes opinion on a proposal for a directive on corporate sustainability due diligence**  
It [understands](#) that further consideration of the definition of the value chain is needed and asks for a gradual entry into force to allow companies to adjust their internal processes to accommodate the new requirements.
- **EBA publishes final ITS on data collection for the benchmarking exercise in 2024**  
The [novelty](#) is the roll out for the benchmarking of accounting metrics (IFRS9) to high default portfolios (HDP) and, for market risk, new templates are added for the collection of additional information.
- **ESRB publishes EU Non-bank Financial Intermediation Risk Monitor 2023**  
It [monitors](#) systemic risks and vulnerabilities associated with investment funds and other financial institutions. For the first time, it extends the monitoring to crypto-assets and associated intermediaries.
- **ESMA publishes the results of the Money Market Funds (MMFs) stress tests**  
Liquidity and credit [risks](#) would be the most impactful for MMFs, in the context of the adverse scenario. It also shows the capability of MMFs to meet redemption requests under adverse circumstances.

- **ESMA publishes follow up report on the review of ETFs guidelines and other UCITS issues**  
It [shows](#) that NCAs have strengthened their supervisory practices in the area of Exchange-traded funds (ETFs) and other Undertakings for Collective Investment in Transferable Securities (UCITS) since 2018.
- **EBA publishes technical package for its reporting framework**  
It includes a [technical package](#) supporting the reporting by competent authorities on EU parent undertaking threshold monitoring, a subset of Pillar disclosure templates and ESG reporting quantitative templates.
- **EIOPA publishes monthly technical information for Solvency II**  
Monthly technical information for Solvency II with reference to the end of May 2023 on i) the relevant [risk-free interest rate](#) term structures (RFR) and ii) the symmetric [adjustment of the equity](#) capital charge.

## Spain

- **CNMV adopts ESMA guidelines on MIFID II sustainability requirements**  
It will [pay attention](#) to their application within its supervisory competence and, in particular, in the horizontal review on compliance with the regulation on sustainability preferences set out in the 2023 business plan.
- **CNMV adopts ESMA guidelines on MIFID II remuneration requirements**  
The [guidelines](#) comply with MIFID II requirements and include i) design of remuneration policies and practices, ii) governance; and iii) control of risks. The guidelines are considered in supervision actions.

## United Kingdom

- **FCA bans certain providers of debt advice from receiving referral fees from debt solution providers**  
The [objective](#) is to stop the business model which incentivizes debt packagers to recommend certain options that make them more money rather than what is in the customer's best interest.
- **Joint Regulatory Oversight Committee sets out next steps to help UK open banking grow**  
It [sets](#) six key themes and priorities, setting two new working groups on: i) on variable recurring payments; and ii) future open banking entity. The other four working streams are tasked to Open Banking Limited (OBL).

## United States

- **Agencies issue final guidance on third-party risk management**  
Joint guidance describing [principles and considerations](#) to help banks manage risks associated with third-party relationships, including those with financial technology companies.
- **CFTC publishes a final rule and two consultations on derivative clearing and reporting requirements**  
Final rule on [governance requirement](#) for derivative clearing organizations. Proposed rule on information for resolution planning of derivative clearing organizations, and on amendments to large trader reporting requirements. Deadlines: 60 days from publication in the Federal Register.
- **CFTC consults on requirements for swap and future commission dealers**  
It seeks views on the [governance](#) and structure of Risk Management Programs, and the risks that must be monitored and managed. Deadline: 60 days from publication in the Federal Register.
- **SEC adopts rules related to security-based swaps transactions**  
Rules seeking to [prevent fraud](#), manipulation, and deception in connection with security-based swap transactions and to prevent undue influence over the chief compliance officers.

- **SEC adopts amendments affecting Regulation M**  
They seek to remove and replace references to [credit ratings](#) from existing exceptions provided in Regulation M (rules that prohibit activities that artificially influence the market for an offered security).

**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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