

Financial Regulation: Weekly Update

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Highlights

1. FSB and IMF publish report on the policy and regulatory response to crypto-asset activities
2. FSB publishes two reports on Non-Bank Financial Intermediation (NBFI)
3. EC adopts the European Sustainability Reporting Standards (ESRS)
4. EC adopts reporting rules on banks' exposure to shadow banking
5. ECB publishes the results of its second economy-wide climate stress test

Global

- **FSB and IMF publish report on the policy and regulatory response to crypto-asset activities**
It [illustrates](#) the macroeconomic and financial stability implications of crypto-asset activities, how they may interact, and how the IMF and FSB's policy recommendations fit together.
- **FSB publishes two reports on Non-Bank Financial Intermediation (NBFI)**
It has [published](#) i) the annual progress report to the G20 to enhance the resilience of NBFI and ii) the report on the financial stability implications of leverage in non-bank financial intermediation.
- **IOSCO consults on its global approach to address risks in Decentralized Finance**
It [covers](#) i) understanding DeFi arrangements, ii) common standards of regulatory outcomes, iii) identification of key risks, iv) clear disclosures, v) applicable laws and vi) cross-border cooperation. Deadline: Oct 19, 2023.

Europe

- **EC adopts the European Sustainability Reporting Standards (ESRS)**
They [cover](#) environmental, social, and governance issues and take account of discussions with the ISSB and the GRI in order to ensure a very high degree of interoperability between EU and global standards.
- **EC adopts reporting rules on banks' exposure to shadow banking**
To [set out](#) the criteria to identify shadow banking entities, ensure the comparability of exposures reported by credit institutions and provide supervisors with robust data to assess banks' risks in relation to NBFI.
- **ECB publishes the results of its second economy-wide climate stress test**
The results [show](#) that acting immediately would provide significant benefits for the economy and financial system, not only by maintaining the optimal net-zero emissions path but also by limiting financial risk.

- **ECB consults guide on financial conglomerate reporting**
It provides [consistency](#), coherence and transparency on the ECB's approach when designated as coordinator, regarding reporting of significant risk concentrations and intragroup transactions. Deadline: Oct 6, 2023.
- **ESRB publishes a note on risks in corporate debt and real estate investment funds**
The note describes how the [regulatory framework](#) for investments funds with large exposures to corporate debt and real estate could enhance the prevention and mitigation of systemic risks.
- **ESMA publishes its second 2023 report on Trends, Risks and Vulnerabilities**
[Financial markets](#) are adapting to the new economic environment of higher inflation and interest rates, however risks remain high to potential deteriorations in economic fundamentals or risks in the financial sector.
- **ESMA publishes update of its European Single Electronic Format Reporting Manual**
It provides [technical improvements](#), clarifications and guidance in the manual to provide a harmonized and consistent approach in the preparation of annual financial reports.
- **ECB publishes the list of supervised entities as of July 1, 2023**
This list [displays](#) the significant supervised entities, which are directly supervised by the ECB (109 entities) and the less significant supervised entities which are indirectly supervised by the ECB.
- **EIOPA publishes monthly technical information on Solvency II**
Technical information with reference to the end of August 2023 on i) the [relevant risk-free interest rate](#) term structures (RFR) and ii) the [symmetric adjustment of the equity capital charge](#) for Solvency II.

Spain

- **CNMV publishes the Financial Stability note corresponding to June 2023**
It presents a [market stress](#) indicator which stands at the medium-to-low risk zone, with a decreasing trend from the start of the year.

United Kingdom

- **FCA consults on the Insurance Distribution Directive**
It consults on [changes](#) intended to replace the provisions on the IDD to include them into the FCA handbook. Deadline: Oct 9, 2023.

United States

- **FDIC issues statement on the marketing of loan portfolios from Signature Bank**
It will start the [marketing process](#) for the \$33 billion Commercial Real Estate loan portfolio retained in receivership following the failure of Signature Bank.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Madrid, European capital against money laundering: benefits and opportunities* (Spanish only). July 2023.
- [Press Article](#). *That's how investments under ESG criteria look like* (Spanish only). May 2023.
- [Press Article](#). *Europe leads the way in regulating 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.

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

