Financial Regulation: Weekly Update
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Highlights
1. BCBS publishes report on the 2023 banking turmoil
2. EBA publishes its responses to EC on two delegated acts under MiCAR
3. ESMA publishes second consultation on crypto market rules
4. ESAs publish their joint response to the EC on two delegated acts under DORA
5. BdE raises the capital buffers for domestic systemic banks for 2024

Global
- **BCBS publishes report on the 2023 banking turmoil**
  It provides an assessment of the causes of the banking turmoil, the regulatory and supervisory responses and the initial lessons learnt. It is not an indication of planned revisions to the Basel framework.

- **BCBS publishes report on Basel III implementation progress**
  It provides an update on the adoption of Basel III in member jurisdictions showing a good progress since the previous report.

Europe
- **EBA publishes its responses to EC on two delegated acts under MiCAR**
  Relating to the criteria for determining the significance of asset-referenced tokens (ARTs) and electronic money tokens (EMTs) and to the supervisory fees that may be charged to issuers. The EBA proposes a set of core and ancillary indicators for each significance criterion.

- **ESMA publishes second consultation on crypto market rules**
  To seek input on sustainability indicators for distributed ledgers, disclosures of information, technical requirements for white papers, trade transparency measures and business continuity requirements for service providers. Deadline: Dec 14, 2023.

- **ESAs publish their joint response to the EC on two delegated acts under DORA**
  Their joint response specifies further criteria for critical information and communication technologies (ICT) third-party service providers (CTPPs) and determines oversight fees levied on such providers.

- **EBA publishes its work program for 2024**
  Focused on i) implementing the EU banking package (CRR III & CRD VI), ii) monitoring financial stability and sustainability, iii) providing a data infrastructure, iv) DORA and MiCAR, and v) the new AML/CFT framework.
• **ESAs publish Joint Committee Work Program for 2024**
  It will focus on: i) consumer and investor protection, ii) operational resilience, iii) financial conglomerates, and iv) securitization. It will monitor emerging key cross-sectoral risks and vulnerabilities for financial stability.

• **ESMA will launch a common supervisory action on MiFID II sustainability requirements during 2024**
  It aims to assess the progress made by intermediaries in the application of these requirements, which entered into force in 2022 following the amendments to the MiFID II Delegated Acts.

• **ESMA publishes report on the use of language related to ESG factors in the EU fund industry**
  Its assessment of how investment funds signal themselves (via their name or via their documents) is an important first step in the detection and monitoring of potential greenwashing.

• **SRB publishes report on smaller banks in the banking union for the first time**
  It examines key developments in LSI institutions, analyzing national resolution authorities’ resolution planning and crisis management activities, while explaining the SRB’s role on less significant institutions.

• **ESRB issues letter on extending emergency measures on CCP collateral requirements**
  It responds to ESMA’s final report on extending emergency measures on CCP collateral requirements. While it restates its opinion that such measures should be temporary, it agrees with the extension proposed.

• **ESRB publishes opinion on Norwegian notification on systemic risk buffer and O-SII buffer**
  It considers the O-SII buffer rate applicable cumulatively with the existing SyRB to which the credit institutions are already subject appropriate, resulting in a cumulative SyRB and O-SII buffer rate higher than 5%.

• **EBA publishes list of third country groups and third country branches in the EU/EEA**
  Updated list of third country groups (TCG) with intermediate EU parent undertakings (IPUs) and third country branches (TCB) operating in the EU and EEA. In total there are 461 TCG and 105 TCB.

• **EIOPA publishes its technical advice to the EC on the review of the IORP II Directive**
  To ensure that the directive of institutions for occupational retirement provision reflects challenges such as an aging population, widening pension gaps, and climate change that are affecting occupational pensions.

• **EIOPA publishes report on the impact inflation on insurers and assesses potential future risks**
  It considers the effects higher-than-expected inflation and interest rates have had for insurers’ capital levels, profitability and liquidity positions, but also for consumers.

• **EIOPA updates technical information for calculating the risk-free interest rate term structures (RFR)**
  It focuses on the assessment of the financial instruments used for constructing the RFR-information and a technical change in the calculation of the Credit Risk Adjustment for some currencies.

**Spain**

• **BdE raises the capital buffers for domestic systemic banks for 2024**
  This increase was prompted by the revision of the ECB’s floor methodology for assessing capital buffers for O-SIIs in the context of the SSM, which has led to the adaptation of the BdE methodology to comply with it.

• **AMCESFI publishes opinion on BdE macroprudential measure relative to O-SII buffer**
  It welcomes the fact that the list of institutions identified as O-SIIs for 2024 and their corresponding macroprudential buffers have been determined by BdE in accordance with the applicable regulations.
United Kingdom

- **PRA consults on its approach to the authorization and supervision of insurance branches**
  It clarifies and updates PRA’s approach based on the lessons learned from the transitioning from the European passporting regime to a post-EU withdrawal third country regime. Deadline: Jan 12, 2024.

- **PRA publishes statement on the dynamic general insurance stress test in 2025**
  It aims to assess: i) the industry’s solvency and liquidity resilience to a specific adverse scenario; and ii) the effectiveness of insurers’ risk management and management actions following an adverse scenario.

United States

- **US-UK Financial Regulatory Working Group publishes joint statement**
  Focused on: i) economic and financial stability outlook ii) international banking issues iii) developments in NBFI iv) climate-related financial risks and sustainable finance v) international engagement vi) digital finance.

Recent publications of interest (in English and Spanish):

- **Press Article. Lessons from the latest financial turmoil** (Spanish only). September 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.

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