Financial Regulation: Weekly Update
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Highlights
1. EBA issues three consultations on guidelines and technical standards under MiCAR
2. EBA and ESMA consult on suitability assessment guidelines under MiCAR
3. Council adopts new regulation on European green bonds to promote sustainable finance
4. PRA and FCA publish policy statement on remuneration (bonus cap)
5. US Agencies extend comment period on proposed rules to strengthen large bank capital requirements

Global
- IAIS and Australian Securities and Investments Commission sign Memorandum of Understanding. It provides a global framework of compliance and confidentiality to allow for open cooperation and exchange between insurance supervisors.

Europe
- EBA issues three consultations on guidelines and technical standards under MiCAR
  i) Guidelines on internal governance arrangements for issuers of asset referenced tokens (ARTs); ii) technical standards on governance arrangements of the remuneration policy; and iii) technical standards on the procedure for the approval of white papers of ARTs issued by credit institutions. Deadline: Jan 22, 2024.
- EBA and ESMA consult on suitability assessment guidelines under MiCAR
  Guidelines on suitability assessment of the management body’s members and shareholders with qualifying holdings of issuers of asset referenced tokens and of crypto-asset service providers. Deadline: Jan 22, 2024.
- Council adopts new regulation on European green bonds to promote sustainable finance
  The regulation lays down uniform requirements for issuers of bonds that wish to use the designation ‘European green bond’ or ‘EuGB’ for their environmentally sustainable bonds.
- ECB publishes report on how banks govern and manage counterparty credit risk
  It highlights the sound practices observed in the market and points to areas where improvement is needed, according to the targeted review it performed in the second half of 2022.
- ESAs publish joint criteria on the independence of supervisory authorities
  Key principles: i) operational independence, ii) personal independence, iii) financial independence and iv) accountability and transparency. These criteria will be used to assess supervisory independence in the EU.
• **EBA publishes opinion on swedish measure to address macroprudential risk**  
  It does not object to the 2 year extension of the measure that entails a credit institution-specific minimum level of 25% for the average risk weight of housing loans applicable to institutions using the IRB approach.

• **ESMA publishes report on natural gas futures markets during August 2022**  
  Despite the record prices during August 2022, the findings do not show correspondingly high illiquidity. CCP margins rose and fell with prices and volatility in line with expectations, with margin calls met on time.

• **ECB publishes list of supervised entities as of September 1, 2023**  
  It displays the significant supervised entities, which are directly supervised by the ECB (Part A) and the less significant supervised entities, which are indirectly supervised by the ECB (Part B).

• **ESAs suspend ESMA decision to withdraw the recognition of a third-country CCP**  
  Following the challenge by the Dubai Commodities Clearing Corporation, they decided that the application of suspension is admissible, suspending ESMA’s decision until the outcome of the appeal is concluded.

• **ESMA signs MoU with Indonesia Financial Services Authority, and recognizes a third-country CCP**  
  The MoU establishes cooperation arrangements, including exchange of information on CCPs authorized in Indonesia and requesting recognition under EMIR. It also recognizes Kliring Penjaminan Efek Indonesia as a Tier 1 CCP.

**United Kingdom**

• **PRA and FCA publish policy statement on remuneration (bonus cap)**  
  The PRA has released its policy statement PS9/23 on the bonus cap, following its consultation earlier this year. The bonus cap is to be removed, giving firms more flexibility to set their own ratios.

• **PRA publishes policy statement on the methodology for identifying GSIs**  
  To align technical standards with BCBS framework on i) trading volume indicator, ii) indicator’s weights for substitutability of financial institution infrastructure’ category and iii) adding insurance subsidiaries to several indicators.

• **FCA publishes statement on common issues with crypto marketing**  
  The rules are designed to help people understand what they are purchasing, and the risks involved. Firms wishing to promote crypto-assets must, by law, be authorized by the FCA.

**United States**

• **Agencies extend comment period on proposed rules to strengthen large bank capital requirements**  
  The agencies extend the deadline both for the proposed capital rules to large banks and the proposal to modify the capital surcharge for more complex and largest banks until January 16, 2024.

• **Agencies issue principles for climate-related financial risk management for large financial institutions**  
  They provide a high-level framework for the safe and sound management of exposures to climate-related financial risks for large financial institutions, intended for those with $100 billion or more in total assets.

• **FRB launches data collection from banks affected by the large bank capital proposal**  
  To gather more information from the banks affected by the large bank capital proposal announced earlier this year, that applies to banks with $100 billion or more in total assets.
Recent publications of interest (in English and Spanish):

- **Press Article.** *Lessons from the latest financial turmoil* (Spanish only). September 2023.
- **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.

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