

# Financial Regulation: Weekly Update

Matías Cabrera and Inés Criado

**October 13, 2023**

## Highlights

1. FSB issues report on the 2023 bank failures assessing implications for the resolution framework
2. FSB issues its 2023 annual report and progress report on climate related disclosures
3. EBA issues report on Pillar 1 framework and environmental and social risks
4. ESMA issues consultation on annual fees for third country Tier 1 CCPs
5. FRB issues final rule on capital requirements for insurers

## Global

- **FSB issues report on the 2023 bank failures assessing implications for the resolution framework**  
It upholds the appropriateness of the resolution framework, highlighting lessons from recent events (e.g. the need for an effective public liquidity backstop, or the need to expand the scope of certain requirements).
- **FSB issues its 2023 annual report**  
Highlights that during the banking turmoil authorities took decisive actions, and that the implemented Basel III reforms helped shield the global banking sector, but vulnerabilities in the sector continue to be elevated.
- **FSB issues annual report on climate related disclosures**  
It notes significant progress has been achieved over the last year, while encouraging the development of a global assurance, ethics and independence framework for sustainability disclosures.
- **FSB issues progress report and KPIs for meeting the G20 targets on cross-border payments**  
The reports are complementary and provide a quantitative and qualitative overview about the challenges and progress made by the G20 on cross-border payments, as well public and private sector projects.

## Europe

- **EBA issues report on Pillar 1 framework and environmental and social risks**  
It recommends targeted enhancements to accelerate the integration of environmental and social risks across Pillar 1 to support the transition towards a more sustainable economy.
- **ESMA issues consultation on annual fees for third country Tier 1 CCPs**  
It seeks to allocate fees via a weighting factor based on global turnover, introduce a minimum and a maximum basic fee, and an incentive scheme for CCPs failing to submit turnover figures. Deadline: Nov 10.

- **EBA issues its Q2 2023 risk dashboard**

It [considers](#) uncertainty remains high, while banks CET1 ratio increased QoQ. A few countries reported an increase in NPLs and data indicates asset quality could deteriorate faster going forward.

- **ESMA issues supervisory briefing on circuit breakers**

It [provides](#) a comprehensive overview of supervisory expectations regarding the calibration of circuit breakers implemented by trading venues.

## United Kingdom

- **PRA consults on depositor protection and the Senior Managers and Certification Regime (SM&CR)**

It seeks to facilitate the ability of the FSCS to pay [eligible depositors](#) of insolvent deposit takes via electronic transfer. Amendments to the SM&CR related to the FCA's new consumer duty rules. Deadline: Nov 13.

## United States

- **FRB issues final rule on capital requirements for insurers**

It [includes](#) a framework, known as the Building Block Approach, that accounts for risks that are specific to the business of insurance, and is different from the calculations used for bank capital requirements.

- **FDIC consults guidelines on corporate governance and risk management standards**

It [includes](#) a description of the general obligations of the board to ensure good corporate governance, corporate governance and risk management for covered institutions. Deadline: Dec 11.

- **SEC adopts rule on beneficial ownership reporting**

Final rules that seek to improve [transparency](#) and provide more timely information for shareholders and the market.

- **CFPB issues guidance on fees for basic customer service**

Advisory [opinion](#) clarifying the general prohibition to large banks from imposing unreasonable obstacles on customers, such as charging excessive fees, for basic information about their own accounts.

## 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](#).

## DISCLAIMER

The present document does not constitute an “Investment Recommendation”, as defined in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (“MAR”). In particular, this document does not constitute “Investment Research” nor “Marketing Material”, for the purposes of article 36 of the Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (MiFID II).

Readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data or opinions regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorised by BBVA on its website [www.bbvareresearch.com](http://www.bbvareresearch.com).

**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  
[www.bbvareresearch.com](http://www.bbvareresearch.com)