

Financial Regulation: Weekly Update

Matías Cabrera and Inés Criado

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Highlights

1. BCBS publishes newsletter on principles for management and supervision of climate risks
2. EC consults on critical ICT third-party service providers
3. EBA publishes final standards for Supervisors assessing new market risk internal models
4. EBA publishes final templates to collect climate-related data from EU banks
5. ESMA publishes three explanatory notes covering key topics of the Sustainable Finance

Global

- **BCBS publishes newsletter on principles for management and supervision of climate risks**
It [provides](#) detail on its discussions regarding the implementation of these Principles as it may be useful for both supervisors and banks in their activities. It does not constitute new supervisory guidance or expectations.
- **FATF publishes its recommendations to combat ML and TF**
FATF [updates](#) its 2012 Recommendations to set out a comprehensive and consistent framework of measures which countries should implement in order to combat money laundering and terrorist financing.
- **IAIS consults on climate risk supervisory guidance - market conduct and scenario analysis**
It seeks feedback on [two draft application papers](#) addressing climate-related aspects in market conduct issues and on how climate-related scenario analysis should be considered. Deadline: Feb 23, 2024.

Europe

- **EC consults on critical ICT third-party service providers**
This [initiative](#) supports EU rules on digital operation resilience for the financial sector by specifying certain criteria and fees relating to critical information and communication technologies third-party service providers.
- **EBA publishes final standards for Supervisors assessing new market risk internal models**
They provide clarity on the supervisors' [assessment](#) of the new internal models under FRTB. They focus on: i) governance, ii) the internal risk measurement model and iii) internal default risk model.
- **EBA publishes final templates to collect climate-related data from EU banks**
They are [designed](#) to gather climate-related and financial information on credit risk, market and real estate risks among 110 EU banks. The data collection will run from December 1, 2023 to March 12, 2024.

- **ESMA publishes three explanatory notes covering key topics of the Sustainable Finance**
It [aims](#) to set out factual information regarding the concepts of 'sustainable investment', 'do not significant harm' and the 'use of estimates', so stakeholders can better understand the Sustainable Finance framework.
- **EBA publishes second report on the IFRS 9 implementation by EU institutions**
It [focuses](#) on high default portfolios (HDPs) and aims to promote further improvements in the ECL model practices among EU institutions by providing transparency on the major areas of concern identified by EBA.
- **ECB publishes its November 2023 financial stability review**
It [finds](#) that the outlook for the euro area financial stability remains fragile, due to tighter financial conditions, an environment of weak growth, high inflation and geopolitical tensions.

United Kingdom

- **PRA publishes 2023 list of UK OSIs and buffer rates for RFBs and large building societies**
It has designated [15 firms](#) as OSIs and it has set [OSII buffer rates for ring-fenced banks](#) and large building societies based on UK leverage exposure measure data as of end-2022.
- **FCA publishes statement on pension value for money**
In spring 2024, it will [consult](#) on detailed rules for a new value for money Framework for defined contribution workplace pensions.

United States

- **Agencies extend comment period on proposal for LTD requirement for large banks**
New deadline for [consultation](#) on proposed rule to require large banks to maintain long-term debt in order to improve their resolvability. New deadline: Jan 16, 2024.
- **SEC adopts rules on clearing agencies governance**
It seeks to improve the [governance](#) of all registered clearing agencies by reducing the likelihood of conflicts of interest influencing their boards of directors or equivalent governing bodies.

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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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.bbvaresearch.com