

Financial Regulation: Weekly Update

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Highlights

1. BCBS consults on Pillar 3 disclosure framework for climate-related financial risk
2. FSB publishes 2023 GSIB list and BCBS publishes more details on GSIBs
3. EC consults on two delegated regulations under DORA
4. EC consults on OTC derivatives identifier for public transparency purposes
5. EBA consults on new guidelines on preventing the abuse of funds and certain crypto-assets transfers

Global

- **BCBS consults on Pillar 3 disclosure framework for climate-related financial risk**
It [seeks](#) the views of stakeholders on its preliminary proposal for qualitative and quantitative Pillar 3 disclosure requirements to have a common disclosure baseline for internationally active banks. Deadline: Feb 29, 2024.
- **FSB publishes 2023 GSIB list and BCBS publishes more details on GSIBs**
FSB has [published](#) the 2023 list of GSIBs based on 2022 data and the BCBS has [published](#) the denominators to calculate banks' scores, banks' indicators to calculate denominators and the thresholds to allocate G-SIBs to buckets.
- **FSB publishes report on financial stability implications of multifunction crypto-asset intermediaries**
It overviews the [structure](#) and functioning of MCIs and assesses relevant financial stability risks, describes data gaps, identifies indicators to monitor MCIs and discusses implications for policy consideration.
- **BCBS publishes report on principles for effective risk data aggregation and reporting**
Nearly a decade after the publication of the [principles](#) and seven years after the expected date of compliance, banks are at different stages of alignment and additional work is required at all banks to achieve full compliance.
- **BCBS publishes newsletter on operational resilience and operational risk management**
It assesses the [implementation](#) of the principles on operational resilience and risk management, which varies across banks and jurisdictions. The BCBS encourages the full adoption of the principles.

Europe

- **EC consults on two delegated regulations under DORA**
It [consults](#) to get feedback on two delegated acts to: i) specify the criteria to determine if a third party provider of ICT is critical; and ii) ensure necessary resources for their oversight. Deadline: Dec 14, 2023.

- **EC consults on OTC derivatives identifier for public transparency purposes**
It [consults](#) to receive input for the replacement of the public identifier of over-the-counter derivatives in the EU. Deadline: Jan 9, 2024.
- **EBA consults on new guidelines on preventing the abuse of funds and certain crypto-assets transfers**
It [promotes](#) the development of a common understanding of the effective procedures to detect and manage the transfer of funds and crypto-assets lacking the required information. Deadline: Feb 26, 2024
- **EBA consults RTS on the extensions and changes to market risk internal models under FRTB**
It proposes a [combination](#) of qualitative and quantitative factors for the categorization of model extensions and changes to the relevant categories of modellable risk factors. Deadline: Feb 29, 2024.
- **EBA issues guidance to AML/CFT supervisors of Crypto Assets Services Providers**
It [includes](#) guidance on the sources of information authorities should consider when assessing ML/TF risks associated with CASPs and highlights the importance of a consistent approach in supervisory expectations.
- **EBA issues opinion on macroprudential measure proposed by Denmark**
It [welcomes](#) the introduction of a systemic risk buffer rate of 7% for a subset of exposure categories located in Denmark to increase banks' ability to absorb unexpected losses from exposures to real estate companies.
- **Council adopts regulation easing access to corporate information for investors**
It has adopted a regulation creating the [European Single Access Point](#) (ESAP) that will offer investors free access to financial and sustainability-related public information of European companies.
- **Council adopts regulation on Central Securities Depositories**
It has adopted a regulation that updates the rules on [CSDs](#) to reduce the financial and regulatory burden on CSDs and improve the efficiency of securities settlement in the EU to operate across borders.
- **SRB publishes its 2024 work program**
It sets out [objectives](#) and priorities with a focus on: strategic changes, crisis management and readiness, operationalization of the SRF, resolvability testing, digital transformation, and collaboration with NRAs.
- **SRB publishes MREL dashboard Q2 2023**
The average [MREL target](#) increased marginally, and the aggregate shortfall decreased significantly. Banks under the SRB remit increased the issuance of instruments with respect to the same period in 2021-2022.
- **EIOPA issues report on cross-border business among IORPs**
The number of [cross-border](#) Institutions for Occupational Retirement Provision active in Europe remained low and unchanged from the previous year, and there is no indication for a rebound in the foreseeable future.

United Kingdom

- **BoE and FCA issue MoU on the supervision of Financial Market Infrastructure and payment systems**
It [aims](#) to facilitate effective supervision and policy making by exchanging information between the regulators and promote efficiency by minimizing the duplication of regulatory activities regarding FMIs.
- **PRA issues 2023 list of UK headquartered G-SIIs**
It has published the [2023 list of UK headquartered G-SIIs](#), their respective sub-categories, applicable scores, and G-SII buffers that will be applicable from Jan 1, 2025.

- **FCA issues proposals concerning personal investment firms and financial advice**
This would [require](#) personal investment firms to set aside capital so that they can cover compensation costs and ensure the polluter pays when consumers are harmed.
- **FCA issues statement on sustainability disclosure and labeling regime**
It will [introduce](#) an anti-greenwashing rule, product labels and naming and marketing requirements so products cannot be described as having a positive impact on sustainability when they don't.
- **FCA publishes final report on Investment Firms Prudential Regime implementation (IFPR)**
It [shows](#) firms' progress in implementing the internal capital adequacy and risk assessment process and report requirements under the IFPR.

United States

- **FRB issues statement on annual indexing of reserve requirement exemption amount**
It [announced](#) technical details related to reserve requirements for depository institutions, which will remain zero. For 2024, the reserve requirement exemption will remain unchanged.
- **FinCEN issues rule extending deadline on beneficial ownership reports**
The final rule [extends](#) the deadline, from 30 to 90 calendar days, for certain reporting companies to file their initial beneficial ownership information reports.
- **SEC adopts rule on conflicts of interest in certain securitizations**
The [rule](#) is intended to prevent the sale of asset-backed securities (ABS) that are tainted by material conflicts of interest between the securitization participant and an investor in the relevant ABS.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Global regulatory standards in a fragmenting financial system*. November 2023
- [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.

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

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