

# Financial Regulation: Weekly Update

Matias Cabrera and Salvador Portillo

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## Highlights

1. EBA consults on Guidelines on the management of ESG risks
2. Council and Parliament reach provisional agreement on AMLR and AMLD
3. ESAs publish first set of rules for ICT and third-party risk management and incident classification
4. EBA issues guidance to crypto-asset service providers to manage their exposure to ML/TF risks
5. BCBS, CPMI and IOSCO consult on initial margin in centrally cleared markets

## Global

- **BCBS, CPMI and IOSCO consult on initial margin in centrally cleared markets**  
It [seeks](#) comments on ten policy proposals which aim to improve central clearing participants' understanding of transparency and responsiveness of initial margin calculations and potential future margin requirements.
- **BCBS and IOSCO issue recommendations on good margin practices in non-centrally cleared markets**  
The consultative [report](#) sets out eight recommendations to encourage the implementation of good practices in relation to variation margin processes and responsiveness of initial margin models. Deadline: Apr 17, 2024.

## Europe

- **EBA consults on Guidelines on the management of ESG risks**  
It [sets out](#) requirements for the identification, measurement, management and monitoring of ESG risks, including through transition plans towards an EU climate-neutral economy. Deadline: Apr 18, 2024.
- **Council and Parliament reach provisional agreement on AMLR and AMLD**  
The [agreement](#) will exhaustively harmonize rules throughout the EU and prevent disparities between Member States. The texts need to be approved by the Committee of permanent representatives and the EP.
- **ESAs publish first set of rules for ICT and third-party risk management and incident classification**  
It [includes](#): i) ITS on ICT risk management framework; ii) RTS on criteria for the classification of ICT-related incidents; iii) RTS on the policy on ICT services supporting critical or important functions provided by ICT TPPs; and iv) ITS to establish the templates for the register of information.
- **EBA issues guidance to crypto-asset service providers to manage their exposure to ML/TF risks**  
The new [Guidelines](#) highlight ML/TF risk factors and mitigating measures that CASPs need to consider, representing an important step forward in the EU's fight against financial crime.

- EBA publishes report of specific aspects of the Net Stable Funding Ratio framework**  
It provides a [materiality assessment](#) of the specific items analyzed (such as derivative contracts, or holding of securities to hedge derivatives) and an assessment of the impact of changes to the current treatment.
- EBA issues opinion on measures adjusting the risk weight for commercial immovable property**  
Its [opinion](#) follows the notification by the Central Bank of Latvia of its intention to set the risk weight for exposures secured by commercial immovable property to 80%. EBA does not object to the adjustment.
- EBA consults on amending the data collection for the benchmarking exercise in 2025**  
It [amends](#) the Implementing Regulation on the benchmarking of credit risk, market risk and IFRS9 models for the 2025 exercise. The most significant change is in the market risk framework.
- EBA consults on targeted amendments to the RTS on prudent valuation framework**  
It [aims](#) at promoting a harmonized application of the RTS and to reduce the observed variability of additional value adjustments (AVAs) under the core approach. Deadline: Apr 16, 2024.
- EBA issues Q3 2023 quarterly Risk Dashboard**  
[Bank's](#) capital and liquidity ratios remain at high levels and asset quality remains robust. Operational risks remain elevated, driven by cyber and data security. ROE of EU/EEA banks stands at 10.9%.
- ECB and ESRB issue report on the impact of climate change on the European financial system**  
It [proposes](#) three frameworks which cover financial stability risk surveillance, leverages this evidence to develop a macroprudential strategy and extend the scope to broader nature-related risks.
- ESRB issues report on macroprudential stance**  
It [sets out](#) changes on how it assesses the macroprudential stance, following two complementary approaches: i) growth-at-risk approach; and ii) indicator approach for capital-based and borrower based measures.
- EIOPA issues second report on the application of the IDD**  
It [examines](#), amongst others: i) any changes in the insurance intermediaries' market structure and in the patterns of cross-border activity; ii) the improvement of quality of advice; and iv) empowerment of NCAs.

## United States

- Agencies extend deadline for submission of resolution plan**  
In order to provide [reasonable time](#) for a proposed guideline to be reflected in the submissions, they extended the submission deadline from July 1, 2024, to March 31, 2025.
- SEC publishes final rule on the broker-dealer customer protection rule**  
It [amends](#) the standards applicable to covered clearing agencies for the U.S. Treasury securities to require that such covered clearing agencies have written policies and procedures.
- CFPB issues consultation on overdraft lending**  
It seeks to update [exceptions](#) for overdraft credit provided by large financial institutions, ensuring that extensions of overdraft credit adhere to consumer protection requirements. Deadline: Apr 1, 2024.
- CFPB issues guidance to consumer reporting companies**  
It seeks to ensure that the [consumer reporting](#) system produces accurate and reliable information, and that people are entitled to receive all information contained in their consumer file upon request.

**Recent publications of interest (in English and Spanish):**

- [Press Article](#). *Keys to digital and banking regulation for 2024* (Spanish only). January 2024.
- [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.

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](http://www.bbvaresearch.com)