

Financial Regulation: Weekly Update

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Highlights

1. EBA issues industry survey on the classification methodologies for exposures to ESG risks
2. EBA consults on draft RTS on residual risk add-on hedges under FRTB
3. ESAs recommend steps to enhance the monitoring of BigTechs' financial services activities
4. ECB issues statement on climate work with focus on green transition, climate and nature-related risks
5. ESMA consults on reverse solicitation and classification of crypto assets as financial instruments

Global

- **IOSCO presents consultation on post trade risk reduction services**
It [identifies](#) potential policy considerations and risks associated with the use and offering of PTRRS associated with OTC derivatives trades, and presents sound practices as guidance. Deadline: Apr 1, 2024.
- **IAIS issues roadmap for 2024**
Key [strategic themes](#) are: climate risk, digital innovation, diversity, equity and inclusion (DEI), financial inclusion, operational resilience and cyber risk, protection gaps and global Insurance Capital Standard.
- **ISDA updates OTC derivatives compliance calendar**
It has [updated](#) its global calendar of compliance deadlines and regulatory dates for the over-the-counter (OTC) derivatives space.

Europe

- **EBA issues industry survey on the classification methodologies for exposures to ESG risks**
It [aims](#) to collect qualitative information from banks to inform the EBA's work on the feasibility of introducing a standardized methodology to identify and qualify exposures to ESG risks. Deadline: Mar 29, 2024.
- **EBA consults on draft RTS on residual risk add-on hedges under FRTB**
Consults on the [conditions](#) for determining whether an instrument attracting residual risk acts as a hedge. Deadline: May 4, 2024.
- **ESAs recommend steps to enhance the monitoring of BigTechs' financial services activities**
It [identifies](#) the types of financial services currently carried out by BigTechs in the EU pursuant to EU licenses and highlights inherent opportunities, risks, regulatory and supervisory challenges.
- **ECB issues statement on climate work with focus on green transition, climate and nature-related risks**

It [identifies](#) three areas to focus on in 2024 and 2025: the costs and investment needs of the transition; the increasing physical impact of climate change and the risks stemming from nature loss and degradation.

- **ESMA consults on reverse solicitation and classification of crypto assets as financial instruments**
It [seeks](#) input on proposed guidance relating to the conditions of application of the reverse solicitation exemption under MiCA and the role of NCAs in preventing its circumvention. Deadline: Apr 29, 2024.
- **ESMA consults on the implementation of ESAP technical standards**
It [seeks](#) input on the proposed rules with regards to tasks of collection bodies and functionalities of the ESAP. Deadline: Mar 8, 2024.
- **ESMA publishes risk monitoring report of 2024**
It [highlights](#) remarkable resilience of financial markets in a higher-for-longer interest-rate environment. It provides an update on structural developments and the status of key sectors of financial markets.
- **ESMA issues report on the EU alternative investment funds (AIFs) market**
It [outlines](#) liquidity mismatches in AIFs are heightened by a high share of open-ended Real Estate (RE) funds, which it considers could be systemically relevant in jurisdictions where RE funds own a large market share.

Spain

- **AMCESFI publishes annual report 2022**
It [considers](#) that the banking sector has experienced a decrease in credit granted to private residents, with an improvement in problematic assets. Furthermore, it saw an increase in public debt yields and risk premiums.

United Kingdom

- **PRA publishes its approach on enforcement**
It [clarifies](#) the scope of the Bank's enforcement powers by creating a document that draws together the Bank's existing enforcement policies and procedures into one consolidated document.
- **PRA consults on its approach to rule permissions and waivers**
It includes [criteria](#) or factors that PRA expects to take into account when assessing specific rule permissions and that applications will have to include information and evidence on those criteria. Deadline: Apr 30, 2024.
- **PRA allocation of decision-making and approach to supervisory decisions**
It [sets out](#): i) allocation of decision-making on statutory notices; ii) approach to decision-making on statutory notices in relation to supervisory decisions; and iii) approach to publication of decisions in supervisory cases.

United States

- **OCC consults on proposed rulemaking and policy statement on bank mergers**
It [updates](#) rules for mergers involving national banks and federal savings associations in order to enhance transparency around its process of reviewing those transactions. Deadline: 60 days since publication in the Federal Register.

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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