

Financial Regulation: Weekly Update

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Highlights

1. BCBS issues statement following its latest meeting on Core principles, window-dressing and Basel III
2. ECB updates guide on internal models
3. Council adopts regulation on instant payments
4. FSB thematic review on MMFs reforms
5. Council adopts new rules on Alternative Investment Fund Managers (AIFMD)

Global

- **BCBS issues statement following its latest meeting**
i) Agrees to approve [revisions](#) to Core principles for effective banking supervision, ii) decides to issue a consultation (next month) on measures to reduce window-dressing in the G-SIB framework, iii) reaffirms expectation that all aspects of Basel III will be implemented in full, consistently and as soon as possible.
- **FSB thematic review on MMFs reforms**
It [finds](#) uneven progress in implementing the 2021 FSB policy proposals for money market funds (MMFs) and calls on member jurisdictions to review policy frameworks and adopt tools to address MMF vulnerabilities.
- **FSB published its Peer Review of Switzerland**
It [recommends](#) strengthening the framework for G-SIBs in Switzerland given the merger of their two G-SIBs, and recommends increasing supervisory resources and enhancing the recovery and resolution regime.
- **FATF issues statement following its last plenary session**
The [outcome](#) is a new risk-based guidance for the implementation of Recommendation 25 on the beneficial ownership and transparency of legal arrangements.
- **FATF consults on proposed amendment on payment transparency**
It [seeks](#) to reflect the rapid development of cross-border payment systems, and changes to industry standards, particularly ISO20022.
- **FATF publishes methodology for the 5th round of mutual evaluations**
It [took stock](#) of the results in the 4th round to adjust its methodology for the assessment in the 5th round. It looked at what was going well and the areas where countries needed to improve their performance.

Europe

- **ECB updates guide on internal models**
It [explains](#) how it understands the rules banks must follow when using internal models. The revisions also clarify how banks should go about including material climate-related and environmental risks in their models.
- **Council adopts new rules on Alternative Investment Fund Managers (AIFMD)**
It [amends](#) the AIFMD, which governs managers of hedge funds, private equity funds, private debt funds, real estate funds and other alternative investment funds in the Union.
- **Council adopts regulation on instant payments**
It [improves](#) the strategic autonomy of the European economic and financial sector as it will help reduce any excessive reliance on third-country financial institutions and infrastructures.
- **ESMA opens public register for the Clearing Obligation under EMIR**
In [accordance](#) with Regulation (EU) No 648/2012 on OTC derivatives, CCPs and trade repositories, ESMA shall maintain a Public Register to inform market participants on the clearing obligation.
- **ESMA final report on fees charged to third country CCPs**
It [presented](#) its final report on the technical advice to the Commission on fees charged to tier 1 third-country CCPs under EMIR.

Spain

- **CNMV presents its activity plan for 2024**
It [sets](#) 42 new objectives and confirms the strategic lines: i) sustainability; ii) cryptocurrencies (MiCA); iii) cybersecurity (DORA); iv) artificial intelligence; and v) rigorous supervision to guarantee financial stability.

United Kingdom

- **PRA issues policy statements on the review of Solvency II**
i) It [provides](#) the PRA's feedback to responses received to the consultation paper CP12/23, of Review of Solvency II and contains the PRA's final policy and statements of policy. ii) It [provides](#) feedback to consultation on the reporting phase 2, setting out its final reporting and disclosure policy.
- **PRA issues statement of policy for insurance group supervision**
It sets out its approach to certain aspects of insurance group supervision. It is [relevant](#) to UK Solvency II firms and to the Society of Lloyd's.
- **PRA issues statement of policy on transitional measures on technical provisions and risk-free rates**
It sets out the PRA [approach](#) to considering new permissions, modifications or revoking the regulatory permission on technical provisions and risk-free interest rates.
- **PRA issues statement of policy and supervisory statement on internal models under Solvency II**
i) It sets out its [approach](#) to considering applications and granting permissions for the use of internal models for calculating the Solvency Capital Requirements. ii) It sets out its [expectations](#) for insurers to meet internal model requirements.

- **FCA issues statement and a report on LIBOR**

It [reminds](#) market participants of the permanent cessation of the 3-month synthetic sterling LIBOR setting on 28 March 2024 and [publishes](#) a report which sets out its review of whether the use of its power to compel ICE Benchmark Administration.

United States

- **CFTC issues statement on consultation regarding swap data reporting**

It extends the [deadline](#) for public comments on the proposed rule regarding real-time public reporting requirements and swap data recordkeeping, and reporting requirements. New deadline: Apr 11, 2024.

- **SEC updates ethics rules governing securities trading by agency personnel**

It seeks to [strengthen](#) and modernize its ethics compliance program by expanding the prohibitions against financial industry sector funds, enhancing data collection, and optimizing the use of agency resources.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Basel III, ESG regulation and digital finance... the plans for global regulators for 2024* (Spanish only). February 2024
- [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.

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

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