

Financial Regulation: Weekly Update

Matias Cabrera and Salvador Portillo

April 12, 2024

Highlights

1. FDIC issues report on the orderly resolution of G-SIBs
2. EBA publishes final guidelines on resubmission of historical data under the reporting framework
3. ESAs announce voluntary dry run exercise to prepare for the next stage of DORA
4. EBA publishes final guidelines on the application of the group capital test for investment firm groups
5. ESMA issues report on cryptoasset market structures

Europe

- **EBA publishes final guidelines on resubmission of historical data under the reporting framework**
It aims to provide a common [approach](#) to the resubmission of historical data by financial institutions to the competent and resolution authorities in case of errors, inaccuracies or other changes in the data reported.
- **ESAs announce voluntary dry run exercise to prepare for the next stage of DORA**
It will [launch](#) the voluntary exercise for the collection of the registers of information of contractual arrangements on the use of ICT third-party service providers by the financial entities in May.
- **EBA publishes final guidelines on the application of the group capital test for investment firm groups**
It [identifies](#) criteria to assist NCAs in their assessment of the simplicity of the group structure and the significance of the risk posed to clients and the market.
- **ESMA issues report on cryptoasset market structures**
It [finds](#) that crypto-asset prices are characterized by highly volatile cycles and an overall co-movement with equity markets. Furthermore, market capitalizations and trading volumes remain significantly concentrated.
- **ESMA publishes first overview of EU securities financing transactions markets**
It [contributes](#) to its financial stability objective, by monitoring repo market developments and providing key risk metrics for its monitoring framework on securities financing transactions.
- **EIOPA publishes supervisory expectations on supervision of reinsurance by third-country reinsurers**
It [aims](#) to highlight the risks stemming from the use of reinsurance provided by reinsurers operating under regulatory regimes not recognized as equivalent to Solvency II.

Spain

- **CNMV reviews the application of new obligations on customer sustainability preference**

It [verifies](#) the procedures applied by entities on a representative sample, proposes some improvements in the procedures and identifies best practices, such as providing examples to facilitate understanding.

- **MINECO consults draft law and draft royal decree for the digitalization of the financial sector**

It [transposes](#) EU directives for digitalization and modernization of the financial sector, with focus on cyber resilience, crypto assets and DLT and payments systems and services. Deadline: April 30, 2024., 2024

United Kingdom

- **PRA presents business plan 2024-2025**

It [includes](#) simplifying regulations for smaller banks while maintaining high standards, reforming insurance capital standards and streamlining data collection in the Banking Data Review.

- **FCA presents plan on asset managers' research**

It [proposes](#) giving asset managers greater freedom in how they pay for research, supporting their investment decisions. This should suit firms of varying business models and sizes, helping to promote competition.

United States

- **FDIC issues report on the orderly resolution of G-SIBs**

It presents a detailed [description](#) on the way in which it would manage the orderly resolution of a large, complex financial institution under Title II of the Dodd-Frank Act, highlighting key measures and expectations.

- **OCC extends comment period for proposed rulemaking on bank mergers**

Proposal to update rules for [business combinations](#), and a policy statement clarifying the review of applications under the Bank Merger Act. New deadline: Jun 15, 2024.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Will the European Artificial Intelligence Regulation favor the development of this technology?* (Spanish only). March 2024.
- [Press Article](#) *Priorities of European authorities for 2024: Sustainable and digital finances.* (Spanish only). February 2024
- [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

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

DISCLAIMER

The present document does not constitute an “Investment Recommendation”, as defined in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (“MAR”). In particular, this document does not constitute “Investment Research” nor “Marketing Material”, for the purposes of article 36 of the Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (MIFID II).

Readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data or opinions regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorised by BBVA on its website www.bbva.com or www.bbva.com.