

Financial Regulation: Weekly Update

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Highlights

1. GHOS issues statement on the Basel III implementation and on crypto-asset standard
2. BdE issues consultation on procedures to revise the CCyB
3. EBA consults on proposal for equivalent mechanism for unfinished property
4. ESMA issues guidelines to establish harmonized criteria for use of ESG and sustainability terms
5. SRB publishes 2024 MREL policy and the Q4.2023 MREL dashboard

Global

- **GHOS issues statement on the Basel III implementation and on crypto-asset standard**
It [reiterates](#) the expectation to implement all aspects of Basel III. It sets an updated implementation timeline for the crypto-asset standard to Jan 1, 2026.
- **IOSCO issues statement on IESBA's consultation on international ethics standards for sustainability**
It [outlines](#) its general observations and six key priority areas for IESBA's consideration in developing its final standard on the definition of sustainable information, value chain and transparency when reporting, etc.

Europe

- **EBA consults on proposal for equivalent mechanism for unfinished property**
It [specifies](#) conditions that a legal mechanism should meet in order to recognize a property under construction in the own fund requirements calculation under standardized approach of credit risk. Deadline: Aug 7, 2024.
- **ESMA issues guidelines to establish harmonized criteria for use of ESG and sustainability terms**
It [aims](#) to ensure that investors are protected against unsubstantiated sustainability claims in fund names and to provide asset managers with clear criteria to assess their ability to use ESG terms in fund names.
- **SRB publishes 2024 MREL policy and the Q4.2023 MREL dashboard**
It takes into account a previous consultation, introducing [changes](#) in the calibration of the Market Confidence Charge and on the monitoring of MREL eligibility. The dashboard shows that banks with target deadlines on Jan 1, 2024, are well placed to meet them.
- **ECB publishes financial stability review**
It [recommends](#) policy authorities to monitor geopolitical risk and assess consequences for financial stability. Financial institutions should apply sound risk management and business diversification to address risks.

- **ESMA publishes data on markets and securities in the EEA**
It [provides](#) details about how securities markets in the European Economic Area (EEA) were organized in 2022, including structural indicators on securities, markets, market participants and infrastructures.
- **EIOPA publishes risk dashboard**
It [shows](#) that risks in the EU's insurance sector are stable and overall at medium levels, with pockets of vulnerabilities stemming from market uncertainty and potential risks in the real estate sector.

Spain

- **BdE issues consultation on procedures to revise the CCyB**
It seeks to set a 0.5% CCyB rate when [cyclical systemic risks](#) are at a standard level from 2024 Q4 (effective on Oct 1, 2025) and potentially a 1% from 2025 Q4 (effective on Oct 1, 2026). Deadline: June 13, 2024.
- **AMCESFI issues opinion on BdE measure regarding CCyB**
It supports the [framework](#) to set a positive neutral CCyB rate (set at 1%) and it follows best international practices. It also supports the gradual approach proposed in order to limit the impact on the economy.

United States

- **FRB releases summary of the exploratory pilot Climate Scenario Analysis (CSA)**
It [highlights](#) modeling challenges that arise when estimating the financial impacts of climate-related risks over various time horizons. The exercise was exploratory in nature and does not have capital consequences.
- **CFTC consults on proposal regarding event contracts**
It seeks to specify types of [event contracts](#) that fall within the scope of certain sections of the Commodity Exchange Act, and are contrary to the public interest. Deadline: Jul 9, 2024.
- **Agencies issue statement on inflation-adjusted dollar thresholds for Regulation CC funds availability**
[Adjusted amounts](#) on availability of customer funds, including the minimum amount of deposited funds that banks must have available for withdrawal by opening of business on the next day for certain check deposits.
- **SEC and FinCEN consult on proposed rule on customer identification program requirements**
The [new rule](#) would require SEC-registered investment advisers and exempt reporting advisers to establish, document, and maintain written customer identification programs. Deadline: 60 days after publication in the Federal Register.
- **Federal Reserve publishes a Supervision and Regulation Report**
It [informs](#) the public of current banking conditions as well as provides transparency about its supervisory and regulatory policies and actions over the last months.

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 [English](#).

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