

Financial Regulation: Weekly Update

Matias Cabrera, Inés Criado

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Highlights

1. FSB consults on the G20 financial regulatory reforms on securitization
2. BCBS approves disclosure framework and agrees to make amendments to its cryptoasset standard
3. EC publishes report on the monitoring of climate related risks to financial stability
4. EBA publishes RTS on extraordinary circumstances to continue with internal models for market risk
5. OCC consults on recovery planning guidelines

Global

- **FSB consults on the G20 financial regulatory reforms on securitization**
[Objectives](#) are to assess if securitization reforms implemented to date have achieved their financial stability objectives and the effects on the functioning and structure of the securitization markets. Deadline: Sept 2.
- **BCBS approves disclosure framework and agrees to make amendments to its cryptoasset standard**
The disclosure framework will include standardized templates while the prudential standard will be [updated](#) with changes particularly affecting group 1b. Both will be published this month. Entry into force: Jan 2026.
- **IAIS publishes interim results of 2024 global monitoring exercise on the insurance sector**
It [continues](#) to focus on risks faced by insurers in light of the macroeconomic environment and structural shifts in the life insurance sector and shows stable solvency, liquidity and profitability positions in 2023.
- **FATF consults on its money laundering national risk assessment guidance**
It [updates](#) the National Risk Assessments guidance to make it more effective, comprehensive and useful for all stakeholders involved. Deadline: July 22.

Europe

- **EC publishes report on the monitoring of climate related risks to financial stability**
The EC will [assess](#) how climate-related policy considerations should be taken into account in the review of the EU macroprudential toolkit for banks and non-banks.
- **EBA publishes RTS on extraordinary circumstances to continue with internal models for market risk**
They [set out](#) the conditions EBA shall use to determine if extraordinary circumstances occurred for continuing the use of internal models and disregarding certain overshootings in accordance with the FRTB framework.

- **EBA publishes guidelines on the information to accompany funds and certain crypto assets transfers**
To [establish](#) a consistent approach that allows relevant authorities to fully trace such transfers where this is necessary to prevent, detect or investigate money laundering and terrorist financing.
- **EC, ESAs, ECB, SRB and US Agencies publish joint statement on EU-US financial regulatory forum**
It emphasizes close [cooperation](#) on: i) market developments and financial stability; ii) regulatory developments in banking and insurance; iii) AML/CFT; iv) sustainable finance; v) regulatory and supervisory cooperation in capital markets; and vi) operational resilience and digital finance.
- **ESMA puts forward measures to support corporate sustainability reporting**
It [aims](#) to build convergence on supervisory practices on sustainability reporting and support large issuers in going through the learning curve associated with the implementation of these new reporting requirements.
- **EBA publishes its quarterly MREL dashboard for Q4 2023**
Most banks already meet their [MREL targets](#) (3 report technical shortfalls, and 23 received a transition period beyond Jan 1, 2024). Nearly 18.1% of MREL instruments will be ineligible by end 2024 (for maturity reasons).
- **EBA publishes the spring edition of its risk assessment report**
It [highlights](#) the need for banks to monitor geopolitical risks and ensure adequate and proactive risk assessment and risk management practices to mitigate potential adverse effects.
- **ECB publishes statement on macroprudential policy**
It [calls](#) national macroprudential authorities to maintain current capital buffer requirements and support those planning to increase capital buffer requirements.
- **ESMA issues report under MiCA**
It covers eight [draft technical standards](#) that aim to provide more transparency for retail investors, clarity for providers on the technical aspects of disclosure and record-keeping requirements, and data standards to facilitate supervision by NCAs.
- **ESRB publishes its quarterly risk dashboard**
It is a set of [quantitative](#) and qualitative indicators of systemic risk in the EU financial system and is accompanied by two annexes that explain the methodology and describe the indicators.
- **EIOPA issues opinion on the supervision of captive (re)insurance undertakings**
It is addressed to competent authorities and outlines the [supervisory expectations](#) with a focus on intra-group transactions, the consistent application of the prudent person principle, and governance-related issues.
- **EIOPA publishes biannual shifted risk-free rates**
Risk-free interest rate [term structures](#) used to calculate the option-adjusted duration of technical provisions which must be reported for financial stability purposes. Next update: Jan 2025.
- **EIOPA publishes its June 2024 Financial Stability Report**
It [concludes](#) that Europe's insurance and pension fund sectors stay resilient amid a tense risk landscape and that the insurance sector is solidly capitalized.
- **EIOPA publishes monthly technical information for Solvency II**
Technical information with reference to the end of June 2024 on: i) the [relevant risk-free interest rate](#) term structures and ii) the symmetric adjustment of the [equity capital charge](#) for Solvency II.

Spain

- **BdE publishes the first compendium of good banking practice standards**
The [document](#) will gather and periodically update the performance standards reasonably required of supervised entities for a responsible relationship with their clients.
- **BdE maintains the countercyclical capital buffer at 0% in the third quarter of 2024**
This is the last quarterly [CCyB](#) decision under a setting framework that only envisaged its activation when the level of cyclical systemic risk is high. The rate will be set at 0.5% in Q4 2024 under the new framework.

United Kingdom

- **FCA publishes reminder on remaining synthetic US dollar LIBOR settings**
It is a [reminder](#) of the expected cessation of the remaining synthetic US dollar LIBOR settings at the end of September 2024 for market participants to make sure they are prepared.

United States

- **OCC consults on recovery planning guidelines**
Proposal to revise [guidelines](#) establishing standards for recovery planning, expanding its scope, incorporating testing standards for recovery plans, and clarifying the role of non-financial risks. Deadline: Aug 2, 2024.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Basel III: good news for the prudent financial 'drivers'* (only in Spanish). June 2024
- [Press Article](#). *Lessons and reforms one year after the financial turmoil* (only in Spanish). May 2024
- [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

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

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