

Financial Regulation: Weekly Update

Matias Cabrera and Inés Criado

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Highlights

1. BCBS publishes final guidelines for counterparty credit risk (CCR) management
2. ESAs publish guidelines to facilitate the regulatory classification of crypto-assets under MiCAR
3. EBA publishes report on potential benefits and challenges of tokenized deposits
4. EBA consults on RTS to specify material changes and extensions to the IRB approach
5. EBA publishes final RTS on the method to identify long and short positions for market risk

Global

- **BCBS publishes final guidelines for counterparty credit risk (CCR) management**
They [incorporate](#) key practices to resolving industry weaknesses in CCR management, including the lessons learned from episodes of NBF1 distress. BCBS encourages the adoption of its guidelines as soon as possible.
- **FSB publishes final report on non-banks liquidity preparedness for margin and collateral calls**
It [includes](#) recommendations on liquidity risk management and governance, stress testing and scenario design, and collateral management practices of non-bank market participants.
- **FSB publishes final report on data flows and regulation and supervision of cross-border payments**
It [aims](#) to promote greater alignment in data frameworks related to cross-border payments and consistency in the regulation and supervision of bank and non-bank payment service providers.

Europe

- **ESAs publish guidelines to facilitate the regulatory classification of crypto-assets under MiCAR**
They [intend](#) to facilitate consistency in the classification of crypto-assets and include templates and a test to promote a common approach to this classification
Entry into force: 2 months after the publication of their translation.
- **EBA publishes report on potential benefits and challenges of tokenized deposits**
It [aims](#) to facilitate awareness of tokenised deposits and assess their benefits and challenges and to promote convergence in the classification of tokenised deposits in contrast with electronic money tokens issued by banks under MiCA.
- **EBA consults on RTS to specify material changes and extensions to the IRB approach**
Its aim is to [clarify](#) and enhance the conditions for assessing material model changes (MMC) and extensions following a review of the related Delegated Regulation. Deadline: March 10, 2025.

- **EBA publishes final RTS on the method to identify long and short positions for market risk**
The method to [identify](#) the main risk drivers hinges on sensitivities defined under the FRTB-SA or on add-ons defined under the SA-CCR. It will be submitted to the EC for endorsement.
- **Council adopts new rules for withholding tax procedures and introduces VAT exemption certificate**
It [sets up](#) safer and faster procedures to obtain double taxation relief to encourage cross-border investment and fight tax fraud. It also [agreed](#) to the introduction of an electronic tax certificate for VAT exemptions.
- **ESMA consults on open-ended loan originating alternative investment funds**
It [sets out](#) the requirements with which loan-originating alternative investment funds shall comply to maintain an open-ended structure. Deadline: Mar 12, 2025.
- **ESMA consults on technical advice on listing act implications**
To gather [feedback](#) following changes to the Market Abuse Regulation (MAR) and Market in Financial Instruments Directive II (MiFID II) introduced by the Listing Act. Deadline: Feb 13, 2025.
- **ESRB publishes opinion on a Norwegian macroprudential measure**
It [considers](#) appropriate the application of the cumulative buffer rates resulting from the sum of SyRB and O-SII buffer rates higher than 5 % to four Norwegian banks.
- **ESRB publishes its quarterly risk dashboard**
It is a set of quantitative and qualitative [indicators of systemic risk](#) in the EU financial system. It is published quarterly and is accompanied by two annexes that explain the methodology and describe the indicators.
- **EIOPA publishes updated portfolios to calculate volatility adjustments to the RFR term structures**
It is revising the [representative portfolios](#) on a yearly basis to calculate the volatility adjustments to the relevant risk-free interest rate term structures for Solvency II, and will publish them in April 2025.

Spain

- **MinECO approves green book on sustainable finance**
It [includes](#) a series of recommendations to drive companies' climate transition, guide the adaptation of the private sector to the Sustainable Finance Framework and the creation of the Sustainable Finance Council.
- **BdE designates a GSII and sets its macroprudential capital buffer rate for 2026**
BdE has designated a [global systematically important institution](#) on a consolidated basis for 2026 in accordance with the list of G-SIBs recently published by the FSB.
- **CNMV publishes results of the entities self-assessments on their preparedness to DORA**
Results of the [exercise](#) conducted by 245 entities on the main aspects of operational resilience and more technical recommendations for the implementation of DORA.
- **CNMV presents OECD recommendations to revitalize Spanish capital markets**
It [recommends](#): i) individual investment savings account; ii) promoting and simplifying occupational pension funds; iii) tax allowance for corporate equity; and iv) establishing public/private cooperation.
- **CNMV issues report on fragmentation, price formation and liquidity in Spanish shares**
In previous years, the [fragmentation](#) process in the trading of Spanish stocks remained similar to other European exchanges.

United Kingdom

- **PRA consults on firms' exposures to tokenized assets, stablecoins and other cryptoasset**
This exercise [seeks](#) to gather information of firms' current and expected future crypto exposures and firms' application of Basel standard as this will help inform PRA's future policy. Deadline: Mar 24, 2025.
- **PRA consults on liquidity reporting reforms for insurers**
Introduces new [liquidity reporting](#) requirements for large life insurers, while reducing the expectations for those that use internal models to submit Standard Formula reporting. Deadline: Mar 31, 2025.
- **PRA publishes statement on Indexed Long-Term Repo (ILTR) facility**
[ILTR](#) should be used freely as a way for counterparties to access reserves and routine sterling liquidity management. It intends that firms' boards, credit rating agencies and overseas regulators to use it.

United States

- **FSOC publishes its 2024 annual report**
Analyzes [vulnerabilities](#) to financial stability making recommendations. Its focus is on commercial and residential real estate, corporate credit, short-term funding markets, digital assets, and climate-related financial risks.
- **FRB issues final guidance on excess balance accounts**
It provides [technical clarification](#) that its account access guidelines also apply to excess balance accounts. Effective date: after publication in the Federal Register.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *How should banks integrate climate in their risk management* (only in Spanish). August 2024
- [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.

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

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