

Financial Regulation: Weekly Update

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Highlights

1. BCBS issues statement on Basel III, supervisory effectiveness and third-party risks
2. EC issues consultation on Omnibus IV proposal
3. EBA consults on disclosures on ESG risks, equity and aggregate exposure to shadow banking
4. EBA repeals guidelines on specification of types of exposures associated with high risks
5. PRA consults on the Pillar 2A review

Global

BCBS issues statement on Basel III, supervisory effectiveness and third-party risks

It [continues](#) to prioritize the implementation of Basel III, progresses work on supervisory effectiveness after the US turmoil and aims to finalize principles for the third-party risk in Q4 2025.

IOSCO issues report on sustainable bond market

It [identifies](#) the key characteristics and trends tied to this market which includes green, social, sustainability, and sustainability-linked bonds, and is a rapidly growing market.

IOSCO issues report on *finfluencers*, online imitative trading and digital engagement practices

It [aims](#) to safeguard retail investors worldwide from fraud, excessive risk taking and misinformation as digital marketing and social media reshape the retail financial markets.

Europe

EC issues consultation on Omnibus IV proposal

It [includes](#) legislative proposals for the simplification of certain rules relating to SMEs/Small mid-caps and a recommendation on the definition of small mid-cap companies.

EBA consults on disclosures on ESG risks, equity and aggregate exposure to shadow banking

It [amends](#) the EBA pillar 3 disclosures framework related to ESG risks, equity exposures and the aggregate exposure to shadow banking. Deadline: August 22, 2025.

EBA repeals guidelines on specification of types of exposures associated with high risks

It [removed](#) the guidelines due to the application of the new CRR 3 in order to provide legal certainty. Given that this exposure class no longer exists in CRR 3, they are no longer applicable.

EBA issues first part of its 2024 annual report

It [successfully](#) completed 93% of its tasks, highlighting: i) Basel III reforms; ii) improved Single Rulebook with guidelines on banking risks; iii) ESG risks; and iv) monitoring financial stability.

EBA publishes data related to Deposit Guarantee Schemes

The data [show](#) that all national DGS in the EU have reached the envisaged minimum target level and the amount of deposits protected by the DGSs increased by 3.2% to €8.6tn from 2023 to 2024.

ESMA consults on simplification and burden reduction for retail investors under MiFID II

The aim is to [assess](#) whether specific regulatory adjustments or clarifications may be needed to enhance investor protection and retail engagement in financial markets. Deadline: July 21, 2025.

ECB publishes its May 2025 financial stability review

It [includes](#): i) developments in crypto markets and interconnectedness with the financial sector; ii) risks to financial stability from trade tensions; iii) impact of ageing population on financial stability.

EIOPA publishes report on consumer information natural catastrophe coverage policies

It [highlights](#) that there is still room for improvement to ensure that consumers make more informed decisions, as they may not be aware of whether they are protected against certain natural disasters.

Spain

AMCESFI publishes its biennial report on climate risks for the Spanish financial system

It [incorporates](#) new data sources and moves toward a more comprehensive analysis of physical and transition risks, with the aim of reducing information and knowledge gaps.

United Kingdom

PRA consults on the Pillar 2A review

It [sets out](#) proposed updates to Pillar 2A methodologies and guidance to address the consequential impacts of the near final PRA rules that would implement the Basel 3.1 standards. Deadline: Sept 5.

PRA updates approach to international banks

It clarifies its [expectations](#) around business conducted within branches of international banks in the UK. It also includes changes in existing thresholds, and the introduction of new ones.

PRA publishes policy statement on SME and infrastructure lending adjustments

It [provides](#) its near-final policy lending adjustments for firms to Pillar 2A as outlined in the implementation of the Basel III standard.

United States**FDIC issues semiannual update on DIF restoration plan**

It projects that the [reserve ratio](#) of the Deposit Insurance Fund remains on track to reach the statutory minimum of 1.35% ahead of the statutory deadline of Sep 30, 2028.

FDIC issues statement of policy on bank merger transactions

It rescinds its 2024 [Statement of Policy](#) on Bank Merger Transactions, and reinstates the Statement of Policy on Bank Merger Transactions that was in effect prior to 2024.

CFTC issues interpretative letter on cross-border definitions

In response to a request from a firm, it confirms the [application](#) of certain cross-border definitions to a proprietary trading firm organized in a foreign jurisdiction.

CFTC issues statement on procedures regarding CFTC-registered non-US swap entities

It establishes how it will address [potential non-compliance](#) with foreign law that has been found to be comparable in outcome to CFTC regulations pursuant a substituted compliance order.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Financial conglomerates: It really depends*. May 2025
- [Press Article](#). *Launch of the European Savings and Investment Union*. May 2025
- [Press Article](#). *Achievements and challenges following a decade of European resolution*. February 2025
- [Press Article](#). *What we ask from Von der Leyen's Omnibus initiative*. February 2025

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

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