

Financial Regulation: Weekly Update

Matias Cabrera y Salvador Portillo
October 31, 2025

Highlights

1. EC adopts two delegated acts to advance on the SIU
2. EBA consultation on common procedures and methodologies for the SREP
3. FRB consults on transparency and public accountability of its stress test
4. EBA publishes RTS on CVA risk exposures
5. OCC request comments on recovery planning guidelines

Global

BCBS presents technical amendment to Basel Framework on the hedging of CCR exposure

It [relates](#) to the circumstance where a bank uses a guarantee or credit derivative to hedge the CCR of a derivative exposure subject to the SA or the IRB method. Entry into force: Nov 1, 2028.

European Union

EC adopts two delegated acts to advance on the SIU

It [adopted](#): i) amendments to the Solvency II delegated regulation encourage long-term investments by enhancing the investment capacity of insurers; and ii) guidance on how banks can benefit from a favourable prudential treatment under CRR when investing in equity.

EBA consultation on common procedures and methodologies for the SREP

It [brings](#) changes across all the main SREP elements and further clarifies the ongoing nature of the SREP to enhance the rationalization of the supervisory process. Deadline: Jan 26, 2026.

EBA publishes RTS on CVA risk exposures

It [specifies](#) the criteria to assess whether the CVA risk exposures arising from fair-valued securities financing transactions are material, as well as the frequency of the assessment.

United Kingdom

PRA policy statement of CRR implementation requirements

It [comments](#) on responses to consultation 13/24, in which the PRA proposed reformulating certain provisions of the CRR within the PRA Rulebook and other policy materials.

PRA policy statement on capital regime for Small Domestic Deposit Takers (SDDTs)

It [sets out](#) the simplified capital regime and additional liquidity simplifications for SDDTs and provides feedback to responses it received to previous consultation in 2024.

PRA statement on Internal Capital Adequacy Assessment process and SREP

It [provides](#) the final expectation related ICAA & SREP requirements. It will be effective from 1 July 2026.

FCA consultation on short selling regime

It [aims](#) to remove barriers which might inhibit or discourage short selling while retaining sufficient visibility and controls over short selling to manage any risks. Deadline: Dec 16, 2025.

FCA statement on crypto exchange traded notes

It has lifted the ban on [retail access to certain crypto exchange trade notes](#) when they are listed on FCA Official List and admitted to trading on a UK Recognised Investment Exchange.

HM Treasury consultation on bank referral scheme

It [aims](#) to assess potential enhancements to the scheme and if the existing legislation needs to be amended or the policy objectives can be achieved by alternative means. Deadline: December 22 25.

United States

FRB consults on transparency and public accountability of its stress test

It seeks [comments](#) on stress test models; changes to the framework to design of hypothetical scenarios; and the 2026 hypothetical scenarios for the upcoming test. Deadline: Jan 22, 2026.

OCC request comments on recovery planning guidelines

It seeks to rescind [recovery planning](#) guidelines that went into effect Jan 1, 2025, and applied to banks with at least \$100 billion in assets. Deadline: 30 days from publication in the Federal Register.

OCC issues statement on FRB consultation of its stress test

It praises the proposal to enhance [transparency](#) and accountability for the annual stress tests, noting the current regime is too complex and opaque.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Proposed reforms to reinvigorate securitization in the EU*. September 2025
- [Press Article](#). *EU financial sector: competitiveness, simplicity, deregulation?* September 2025
- [Press Article](#). *Why do we need simpler rules?* August 2025
- [Press Article](#). *Financial conglomerates: It really depends*. May 2025

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

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.bbvarresearch.com.