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Financial Regulation: Weekly Update

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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.

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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.

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