

Financial Regulation: Weekly Update

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Highlights

1. ECB issues proposal for simplification of EU banking rules
2. SSM issues report on streamlining supervision
3. BCBS publishes principles for the sound management of third-party risk
4. EBA releases final draft RTS on real estate risk weights
5. EBA consults on draft technical standards (RTS and ITS) on prudentially material transactions

Global

BCBS publishes principles for the sound management of third-party risk

It has [developed](#) a new set of principles to reflect a larger and more diverse third-party service provider environment, while allowing sufficient flexibility to adapt to evolving practices across jurisdictions.

BCBS consults on a standard format for machine-readable disclosures

It consults on [standards](#) for machine-readable quantitative Pillar 3 disclosures to facilitate data aggregation and comparison across banks. Deadline: Mar 5, 2026.

European Union

ECB issues proposal for simplification of EU banking rules

The [recommendations](#) aim to simplify the EU framework by reducing elements in risk-weighted and leverage ratio frameworks, creating a simpler regime for smaller banks, or finalizing the SIU and the Banking Union. This will feed into the 2026 EC report on the banking sector in the single market.

SSM issues report on streamlining supervision

It outlines a [reform agenda](#) to enhance oversight efficiency through the "Next-level supervision" project and SREP improvements. It includes streamlining internal model approvals and stress testing to reduce complexities while maintaining financial stability.

EBA releases final draft RTS on real estate risk weights

It [updates](#) the relevant legal references according to the CRR3 changes to the treatment of exposures secured by immovable property under the standardized approach to credit risk.

EBA consults on draft technical standards (RTS and ITS) on prudentially material transactions

The RTS [details](#) the applicable processes for material transactions and the ITS set out the procedures for cooperation among authorities involved in these operations. Deadline: Mar 5, 2026.

EBA peer review on authorization of payment institutions and electronic money institutions

It [concludes](#) that significant differences persist in key areas, such as governance, internal control mechanisms, and local substance, which pose risks of an uneven playing field across jurisdictions.

ESMA announces supervisory expectations for the management body

The 12 high-level [principles](#) aim to foster the ongoing supervisory dialogue between ESMA and supervised entities regarding the effectiveness of their governance and oversight.

EIOPA updates reference portfolios used to calculate the volatility adjustment (VA)

They [enable](#) a more accurate reflection of the impact of market volatility within the Solvency II framework and will begin to be used for the end-March 2026 VA calculation.

EIOPA consults on implementation of the EU's insurance recovery and resolution framework

It [proposes](#) draft guidelines and technical standards covering the scenarios and indicators to be used in pre-emptive recovery plans, the criteria for simplified obligations, and the methodology for establishing the independence of valuers in the resolution process, among others.

EIOPA publishes new Guidelines on exclusions from group supervision

It is a set of revised [guidelines](#) on the treatment of related undertakings, and an updated opinion on the supervisory assessment of internal models with dynamic volatility adjustments.

EBA releases Autumn 2025 Risk Assessment Report

It [finds](#) that banks remain strong in capital, liquidity, profitability, and asset quality. However, it calls for vigilance as geopolitical uncertainty, market volatility and increasing operational risks persist.

Spain

BdE designates a GSIB and sets its macroprudential capital buffer for 2027

It has [designated](#) Banco Santander, S.A., as a global systemically important institution on a consolidated basis for 2027 based on end-2024 data and has set a 1% buffer of its total RWAs.

CNMV presents its plan for simplification

It [aims](#) to avoid duplication, reduce procedures, and improve submission and management systems. The measures involve a 50% reduction in the information obligations to be provided by entities.

United Kingdom

FCA and PRA publish the regulatory initiatives grid

It [sets out](#) the regulatory pipeline over the next two years, promoting predictability for the financial industry. This edition features 124 live initiatives, a 13% reduction compared to the last edition.

FCA presents package to boost UK investment culture

It [sets out](#) a suite of measures to empower retail investment, reinforce wholesale markets, and maintain the UK's position as a world-leading financial center.

FCA and PRA announce plans to support the growth of the mutuals sector

These are a raft of [new measures](#), including a review of credit union regulations and the launch of a Mutual Societies Development Unit. It builds on existing regulatory initiatives to support the sector.

FCA simplifies insurance rules and plans further reviews of requirements

It [aims](#) to give more flexibility and responsibility to insurance firms, such as determining the frequency of their product reviews and how much professional development their staff undertake.

FCA launches Firm Checker to fight financial crime

It [aims](#) to help consumers avoid scams by using the tool to check if a firm is authorized and has the correct permissions to provide services.

PRA statement on the deletion of banking reporting templates

It [sets out](#) proposals to delete certain regulatory reporting requirements for banks, focused mainly on Financial Reporting (FINREP) templates. Entry into force: Dec 31, 2025.

BoE presents 2025 stress test results for CCPs

It [considers](#) that CCPs hold sufficient resources to absorb losses in the modeled extreme global slowdown and the simultaneous default of multiple members.

FCA consults on reducing late fees for regulatory returns

It [proposes](#) reducing the administrative fee for overdue or late regulatory returns from £250 to £100 and make it more proportionate for small firms with fewer resources. Deadline: Dec 22, 2025.

United States

OCC releases preliminary findings from its review of large banks' debanking activities

Preliminary [findings suggest](#) the nine largest national banks improperly restricted services to lawful sectors, such as fossil fuels and firearms, based on internal values instead of legality.

OCC issues statement on bank authority to engage in riskless crypto-asset transactions

An interpretive letter [confirms](#) that national banks may engage in riskless principal crypto-asset transactions, provided they act as intermediaries without holding inventory.

FRB announces pricing for payments services

New pricing schedule for [payment services](#) for banks and credit unions, intended to recover 108% of expenses, including price increases. Effective date: Jan 1, 2026

FRB consults on potential changes to check services

It consults on the impact of potential [strategic changes](#) to check services, weighing infrastructure investment against service reduction due to declining usage and rising fraud. Deadline: Mar 9, 2026.

FDIC and OCC withdraw from the Interagency Guidance on Leveraged Lending

They rescind the 2013 [Guidance](#) and the 2014 FAQs, as they are overly restrictive and drive lending to nonbanks. Banks should manage leveraged lending risks in line with safe and sound principles.

CFTC issues several no-action letters

No action letters regarding: i) [swap data](#) reporting and recordkeeping regulations, ii) a [designated](#) contract market on certain procedures related to dormancy, and iii) certain [data requirements](#).

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Von der Leyen's 'Omnibus': a year of sustainable simplification as it approaches the final stage*". November 2025
- [Press Article](#). *Simplifying European financial regulation: a path to competitiveness*. November 2025
- [Press Article](#). *Proposed reforms to reinvigorate securitization in the EU*. September 2025
- [Press Article](#). *EU financial sector: competitiveness, simplicity, deregulation?* September 2025

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

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