

Financial Regulation: Weekly Update

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Highlights

1. EC consults on market risk prudential requirements for EU banks
2. ESMA issues CfE on restricted subscription and private credit ratings
3. FCA and PRA set out reforms to the senior managers and certification regime
4. US Agencies issue revised model risk guidance
5. EBA report on benchmarking analysis on diversity practices in the management bodies

Global

IAIS publishes aggregate report on the peer review process on ICP 13

It [assesses](#) the standards which apply to insurance supervision in all jurisdictions regardless of the level of development of insurance sectors, or the type of products or services being supervised.

European Union

EC consults on market risk prudential requirements for EU banks

It [proposes](#) targeted amendments to the FRTB rules due to apply from Jan 1, 2027 according to the CRR3 with the aim of offsetting the negative impact for three years. Deadline: May 19, 2026.

ESMA issues CfE on restricted subscription and private credit ratings

It [consults](#) to gather stakeholder views on the purposes, market practices, needs and risks associated with restricted subscription and private credit ratings. Deadline: May 31, 2026.

EBA report on benchmarking analysis on diversity practices in the management bodies

It [finds](#), as of Dec 31, 2024, significant gender imbalances and pay gaps, particularly at senior management level, despite some progress compared with the situation in 2021.

ESMA publishes the 2025 European Single Electronic Format (ESEF) XBRL taxonomy files

It [aims](#) to assist issuers preparing 2026 financial statements according to IFRS standards and introduces access to IFRS 18, allowing companies time to adapt, reducing implementation risks.

EBA responds to the EC's consultation on EU banking sector competitiveness

It [underlines](#) the importance of completing the Single Market, as a key driver of competitiveness and also provides insights on the complexity and effectiveness of the regulatory framework.

EIOPA and JRC sign MoU on natural catastrophe risk research

It [aims](#) to enhance data collection and risk assessment methodologies to improve the resilience of the insurance sector and European society against natural disasters.

EIOPA updates guidelines to facilitate information-sharing within supervisory colleges

The [revisions](#) aim to improve cross-border insurance supervision in the EEA by standardizing information sharing between national regulators.

AMLA issues statement on preparations for the 2027 selection exercise

It highlights next steps in [preparing](#) for selecting entities for direct supervision starting 2028, with the draft taxonomy for the 2027 selection exercise, and the updated 2016 testing template.

United Kingdom

FCA and PRA set out reforms to the senior managers and certification regime

They [aim](#) to reduce costs and streamline financial sector bureaucracy to boost growth and UK competitiveness, all while maintaining high standards of corporate accountability.

PRA sets out business plan 2026-2027

It [confirms](#) its continued focus on safety and soundness and policyholder protection, alongside a proportionate and efficient approach to regulation.

FCA leads first crackdown on illegal crypto trading

It has [carried out](#) its first operation with partners to disrupt illegal peer-to-peer crypto trading across multiple London locations.

United States

Agencies issue revised model risk guidance

Guidelines revised to scale model [risk management](#) with the bank's size and complexity. It stresses sound model development, validation, and governance principles, including specifics for third-party products.

Agencies finalize changes to community bank leverage ratio

It lowers the [leverage ratio](#) from 9% to 8%, extending grace period for compliance to four quarters, providing greater flexibility to use a simplified capital measure instead of complex risk-based ratios.

CFTC and SEC consult on changes to streamline private fund reporting

Proposed amendments to [Form PF](#) to enhance private fund disclosures and streamline reporting requirements for large hedge fund advisers. Deadline: 60 days after publication in the Federal Register.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *2026: Simplifying to Compete: Redefining the EU's Digital Framework*. April 2026
- [Press Article](#). *2026: Three regulatory strategies for banking in an increasingly fragmented world*. February 2026
- [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

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

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