

Financial Regulation: Weekly Update

Matias Cabrera and Salvador Portillo

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Highlights

1. EC consults on revised sustainability reporting standards (ESRS and VSME)
2. EBA amends Guidelines on the definition of default (DoD)
3. ESMA launches CfE on the structure of European equity markets
4. FSB issues report on financial stability vulnerabilities in private credit
5. ESMA consults on streamlined stress testing for Money Market Funds (MMFs)

Global

FSB issues report on financial stability vulnerabilities in private credit

It [highlights](#) that private credit brings benefits but also vulnerabilities, including complex interlinkages with banks, borrower credit quality concerns, and valuation opacity.

CPMI-IOSCO consults on standards for initial margin proposals

They [consult](#) on updated guidance for CCPs regarding initial margin (IM) models and public disclosures with the aim to enhance market transparency. Deadline: Jun 30, 2026.

European Union

EC consults on revised sustainability reporting standards (ESRS and VSME)

It [aims](#) to reduce administrative burden for EU businesses while preserving the quality of sustainability disclosures, and builds on EFRAG's technical advice. Deadline: Jun 4 2026.

EBA amends Guidelines on the definition of default (DoD)

It [amends](#) the DoD guidelines to better accommodate non-recourse factoring. It also maintains the 1% NPV threshold for debt restructuring as the standard for prudential default recognition.

ESMA launches CfE on the structure of European equity markets

It [presents](#) a data driven analysis of the evolution of trading in European equity markets between 2022 and 2025, based on MiFIR transaction reporting data. Deadline: Jun 30, 2026.

ESMA consults on streamlined stress testing for Money Market Funds (MMFs)

It [aims](#) to move away from resource-intensive annual updates toward a more agile, data-driven framework that allows for quicker adjustments during market shifts. Deadline: Aug 6, 2026.

ESMA launches harmonised approach to funds reporting

It has [issued](#) two reports to set a clear path towards streamlined, more efficient transaction reporting across European markets aligned with its broader simplification agenda.

ESMA launches 2026 stress testing exercise for CCPs under EMIR

It [evaluates](#) how recovery and resolution plans impact overall EU financial stability, allowing ESMA to issue corrective recommendations where necessary.

EIOPA consults on unified standard for insurance guarantee schemes

It [proposes](#) minimum common standards considering national schemes vary widely in scope and coverage across the European Union. Deadline: Jun 26, 2026.

ESMA issues statement presenting the results of its Common Supervisory Action

It [urges](#) a proportionate approach to MiFID II sustainability requirements, prioritising dialogue with firms and highlighting challenges related to sustainability preferences and product governance.

Spain

BdE consultation on draft circular requiring certain individuals to communicate electronically

It [aims](#) to improve efficiency in procedures, through a fully electronic and fast relationship with the BdE and ensuring more accessible and easy-to-use digital services. Deadline: May 20, 2026.

United Kingdom

FCA issues statement on tokenization

It [sets](#) out guidance on how firms can use DLT within the regulator's existing rules and how fund tokenization could develop over time as part of the FCA's roadmap for digital assets.

FCA announces review of the claims management market

It will examine the [root causes](#) of poor practices across the market, like aggressive marketing, misleading advertising, unfair exit fees and consumers being signed up without clear consent.

United States

CFTC issues consultation on commitments of traders reports

Consults [changes](#) to Commitments of Traders Reports, including more frequent publication and revised report content, reflecting evolving market structures. Deadline: 30 days after Federal Register publication.

Agencies issue host state loan-to-deposit ratios

Updated host state [loan-to-deposit](#) ratios used to assess compliance with interstate branching restrictions and community credit obligations. The ratios replace those published in May 2025.

SEC consults on amendments to permit optional semiannual reporting by public companies

Seeks to allow [public companies](#) to choose semiannual instead of quarterly reporting, including a new Form 10-S framework intended to reduce reporting burdens. Deadline: 60 days after Federal Register publication.

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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