

Financial Regulation: Weekly Update

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Highlights

1. BIS issues report to G20 Leaders on Basel III implementation
2. EBA issues consultation on ESG risks of credit institutions and investment firms
3. EBA issues final draft on methodology and disclosure for G-SIBs
4. EBA issues report on the implementation of POG guidelines by industry
5. FCA sets out its approach to the share trading obligation post-Brexit

GLOBAL

■ BCBS reports to G20 leaders on Basel III implementation

Sees improvement in the [implementation](#) of Basel standards, but some of them still have to enter into force in some jurisdictions. Reiterates its expectation that latest standards are implemented by the revised timeline (2023).

EUROPE

■ EBA consults on incorporating ESG risks into the governance, risk management and supervision

Identifies for the first time [common definitions](#) of ESG risk. It focuses on the risks to which institutions are exposed through the impact of ESG factors on their counterparties. Deadline: Feb 3, 2021.

■ EBA issues final draft on methodology and disclosure for G-SIBs

The need for this [revision](#) was prompted by the revised BCBS framework in July 2018 to identify G-SIB and new CRD V requirements to recognize the importance of cross-border activities within European Banking Union areas.

■ ESMA issues consultation paper on environmental sustainable activities

It contains the advice from ESMA to the European Commission and [consults](#) on the content, presentation and methodology of two KPIs for non-financial undertakings and asset managers. Deadline: Dec 4, 2020.

■ EBA issues opinion on ML/FT risks management regarding SREP

[Sets](#) out how prudential supervisors should consider ML/TF risks in the context of the SREP. Further guidance will be published by end-December 2021 as set out in the Pillar 2 roadmap.

■ EBA issues report on the implementation of POG guidelines by industry

[Identifying](#) good practices and encouraging financial institutions to ensure that the interests, objectives and characteristics of consumers are taken into account when applying POG arrangements.

■ **ESMA publishes its first reports on CSDR implementation**

[Focused on](#) i) cross-border services and application handling provided by CSDs in other ME and ii) internalised settlement which does not take place through a securities settlement system operated by a CSD in the UE.

■ **ESMA issues data for systematic internaliser calculations and new bond liquidity**

It published i) total number of trades and total volume over the period April-September 2020 for [SI calculations](#) under MiFID II and ii) latest quarterly [liquidity assessment for bonds](#) available for trading on EU trading venues.

■ **ESMA issues Q&A on SFTR reporting rules**

It is aimed at those entities with a [reporting](#) obligation under this regulation, and provides clarification on how to report such records.

UNITED KINGDOM

■ **BoE consults on operational continuity and reporting and disclosures dates in resolution**

(i) Revises its [operational continuity](#) in resolution policy to improve firms' resolvability and (ii) [extends](#) by one year submission dates of the report of their assessment of preparation for resolution. Deadline: Jan 31, 2021.

■ **FCA announces changes to open banking identification requirements after Brexit**

The [announcement](#) will permit UK-based TPP to use an alternative to eIDAS certificates to access customer account information from account providers, or initiate payments, after Brexit.

■ **FCA announces further measures to support borrowers impacted by coronavirus**

Proposes to extend payment deferrals and other support measures for [consumer credit](#) borrowers and [mortgage borrowers](#) who are experiencing difficulties due to the COVID-19 crisis.

UNITED STATES

■ **Agencies issues paper on operational resilience**

It [outlines](#) practices to increase this resilience, extracted from current regulation, guidance, statements, and common industry standards. The paper does not revise the agencies' existing rules or guidance.

■ **CFTC amends SWAP clearing requirement exemption rules**

It [clarifies](#) which SWAPs are exempt from the clearing requirement under Commodity Exchange Act (CEA) and Commission regulations. Effective date: 30 days after its publication in the Federal Register.

■ **CFTC expands exemptive program for global market access**

It grants [exemptive relief](#) for several stock exchanges and amends prior relief to reflect regulatory improvements for U.S. customer funds protection. Effective date: upon filing of representations to the National Futures Association.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Procyclical financial regulation: What can be done?*. October 2020
- [Press Article](#). *Europe | One step closer to the Capital Markets Union*. October 2020
- [Press Article](#). *The Banking Union in times of Covid (page 85)*. September 2020
- [Press Article](#). *The Coronavirus: an unexpected ally of digitization*. June 2020.

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

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