

Financial Regulation: Weekly Update

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Highlights

1. ESAs propose improvements to the sustainable finance disclosure regulation
2. EBA publishes regulatory products under MiCAR
3. SRB issues statement on expectations on valuation capabilities
4. EBA publishes final standards on materiality of extensions and market risk internal models
5. OJEU publications: CRR III, CRD VI, AMLR, AMLD and AMLA

Europe

- **ESAs propose improvements to the sustainable finance disclosure regulation**
These [focus](#) on ways to introduce simple and clear categories for financial products, consisting of two voluntary product categories: “sustainable” and “transition”, with a view to reducing greenwashing risks.
- **EBA publishes regulatory products under MiCAR**
It [publishes](#) the package of technical standards and guidelines under MiCAR on the topics of reporting, liquidity stress testing and supervisory colleges that complete the technical standards under MiCAR.
- **SRB issues statement on expectations on valuation capabilities**
It seeks to develop a new set of [expectations](#) on valuation capabilities including: i) setting up permanent data repositories, ii) enhanced and streamlined data sets, iii) valuation playbooks. Consultation expected in 2025.
- **EBA publishes final standards on materiality of extensions and market risk internal models**
It [presents](#) the final RTS on the conditions for assessing the materiality of model extensions and changes, as well as changes to the subset of modellable risk factors, applicable under the FRTB rules.
- **ESMA presents annual report 2023**
It [sets out](#) the key achievements on financial markets risks monitoring, contributing to the investor protection single rulebook and supporting supervisory convergence, notably through the digital finance space.
- **ESMA withdraws the CRA registration of EuroRating**
It has withdrawn the [credit rating agency](#) (CRA) registration of EuroRating, following the official notification to ESMA by EuroRating Sp. z o.o. on April 15, 2024 of its intention to renounce their registration.
- **ECB presents report on financial integration and structure in the Euro Area**
It [calls](#) for urgent measures to mobilize available savings, develop euro area bond and equity markets, and make these markets more attractive to foreign investors.

- **EBA present Q1 2024 Risk Dashboard**
It [finds](#) that EU/EEA's banks continue to benefit from wide interest margins improving further their profitability and capital position. However, credit risks have started materializing with an increase in NPLs.
- **EIOPA presents annual report 2023**
It [highlights](#) the success in meeting its challenges given the challenges of geopolitical conflicts, high interest rates, inflation, and market volatility. Strong focus on sustainable finance, digitalization and supervision.
- **OJEU publishes banking package**
The [CRD VI](#) and the [CRR III](#) were published, thus finalizing the implementation of Basel III. Both, the directive and the regulation, will enter into force on the twentieth day following the publication.
- **OJEU publication AML Package: AMLR, AMLD and AMLA**
AML Regulation, AML Directive and AMLA Regulation ([AMLR](#), [AMLD](#) and [AMLA](#)) were published in the Official Journal. Member states will have two years to transpose some parts of the AML directive and three years for others. The AML regulation will apply 3 years after entry into force.

Spain

- **BdE publishes second report on the sustainable aspects of its portfolio investment**
It [includes](#) detailed information on the carbon footprint of its portfolios and the exposure to climate risks. 7.1% of investment portfolios in euros and 3% in foreign exchange are green bonds.

United Kingdom

- **PRA issues statement on Politically Exposed Persons**
It [announces](#) that it will not publish its review on the treatment of domestic PEPs during the pre-election period and will wait until July once Parliament has returned.

United States

- **OCC issues final rule on automated valuation models**
It seeks to implement [quality control](#) standards for automated valuation models used by mortgage originators and secondary market issuers in valuing residential real estate collateral securing mortgage loans.
- **OCC presents semiannual risk perspective report**
Overall condition of the [federal banking](#) system remains sound, though it is important that banks continue to identify material risks and interconnected impacts.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Lessons and reforms one year after the financial turmoil* (only in Spanish). May 2024
- [Press Article](#). *Will the European Artificial Intelligence Regulation favor the development of this technology?* (Spanish only). March 2024.
- [Press Article](#) *Priorities of European authorities for 2024: Sustainable and digital finances.* (Spanish only). February 2024

- [Press Article](#). *Basel III, ESG regulation and digital finance... the plans for global regulators for 2024* (Spanish only). February 2024

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

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