

Financial Regulation: Weekly Update

Salvador Portillo

June 28, 2024

Highlights

1. EBA publishes final draft amending RTS on the standardized approach for counterparty credit risk
2. FDIC issues final rule on resolution planning
3. EBA updates monitoring of AT1, Tier 2 and TLAC/MREL eligible liabilities instruments
4. EBA updates pillar 3 disclosure framework
5. SRB publishes document on bail-in approach in the Banking Union

Global

- **IAIS consults on the application of fair treatment for diverse consumers**
[Focus](#) on customer facing aspects of insurance provision. It guides supervisors, insurers and intermediaries on the diversity, equity and inclusion perspective in interpreting requirements. Deadline: Sep 25, 2024

Europe

- **EBA publishes final draft amending RTS on the standardized approach for counterparty credit risk**
To [specify](#) the formula to calculate the supervisory delta not only for interest rate options compatible with negative interest rates, but also for commodity options compatible with negative commodity prices.
- **EBA updates monitoring of AT1, Tier 2 and TLAC/MREL eligible liabilities instruments**
It [provides](#) new guidance on the prudential valuation of non-CET1 instruments and on other aspects related to the terms and conditions of the issuances.
- **EBA updates pillar 3 disclosure framework**
It [implements](#) the CRR 3 disclosure requirements on output floor, credit risk, market risk, CVA risk, operational risk and crypto-assets. It ensures access to comparable information and promotes market discipline.
- **SRB publishes document on bail-in approach in the Banking Union**
It has [published](#) a document for banks, investors and other stakeholders on executing its bail-in decision, as well as links to national resolution authorities' mechanics for bail-in.
- **EBA and ESMA publish guidelines on suitability of management body members and shareholders**
They [publish](#) joint guidelines on the suitability of members of the management body, and on the assessment of shareholders and members with qualifying holdings for issuers of ARTs and CASPs, under the MiCAR.

Spain

- **CNMV adopts EBA guidelines on diversity practices**

They [indicate](#) the information that the competent authorities must collect about practices in favor of diversity at the management body, diversity policy and the wage gap level, etc.

United Kingdom

- **FCA warns stock trading apps to review game-like design features**

It [found](#) that digital engagement practices (DEPs) used by trading apps, such as push notifications and prize draws, can increase trading frequency and risk taking.

United States

- **FDIC issues final rule on resolution planning**

Final rule to [strengthen resolution](#) planning for institutions with at least \$50 billion in total assets. Banks with at least \$100 billion will have to submit more comprehensive plans.

- **Agencies announce results of resolution plan review for largest and most complex banks**

It [identified](#) a weakness in the plans from Bank of America, Citigroup, Goldman Sachs, and JPMorgan Chase. The agencies did not identify any weaknesses in the plans from the other banks.

- **FRB publishes annual bank stress test**

It [shows](#) that while large banks would endure greater losses than last year's test, they are well positioned to weather a severe recession and stay above minimum capital requirements.

- **OCC consults on its recovery planning guidelines**

To [ensure](#) large banks have a plan to respond to the financial effects of severe stress and contagion effects and systemic risks they may pose. Deadline: 30 days from the date of publication in the Federal Register.

- **FDIC issues NPR on AML and terrorism program requirements**

It [issued](#) a notice of proposed rulemaking entitled AML/CFT Program Requirements. Comments must be received on or before 60 days after publication in the Federal Register.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Basel III: good news for the prudent financial 'drivers'* (only in Spanish). June 2024
- [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

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

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