

# Financial Regulation: Weekly Update

Matias Cabrera and Inés Criado

October 04, 2024

## Highlights

1. BCBS publishes progress report on the implementation of Basel III in member jurisdictions
2. EBA publishes report on eligibility and use of credit insurance under CRR3
3. SRB issues communication on changes to its MREL policy under the Daisy Chains Act
4. EBA and ESMA publish their strategic priorities for 2025
5. BdE approves the new framework for setting the CCyB and sets the buffer rate for Q4 2024

## Global

- **BCBS publishes progress report on the implementation of Basel III in member jurisdictions**  
It [sets out](#) the jurisdictional adoption status of the Basel III standards as of end-September 2024. It concludes that these jurisdictions have made significant progress in adopting the Basel III reforms over the past year.
- **FSB publishes key findings of a roundtable with OECD on artificial intelligence (AI) in finance**  
It [analyses](#) trends and use cases of AI. The use of AI raises concerns in terms of model risk, data protection, governance, privacy, and ethics and it may also create financial stability risks.

## Europe

- **EBA publishes report on eligibility and use of credit insurance under CRR3**  
It [revisits](#) the prudential banking framework on credit risk mitigation in relation to the changes affecting credit insurance introduced in Basel III and calls for an alignment of EU rules with the present Basel framework.
- **SRB issues communication on changes to its MREL policy under the Daisy Chains Act**  
It grants [resolution authorities](#) more flexibility in setting internal MREL in banking groups, and simplifies MREL treatment for liquidation entities and related prior permissions.
- **ESMA launches new consultations under the MiFIR review**  
It [seeks](#) input on the amendments to the regulatory technical standards (RTS) for the reporting of transactions and to the RTS for the maintenance of data relating to orders in financial instruments. Deadline: Jan 3, 2025.
- **EBA publishes its 2025 work program**  
The [key priorities](#) are: i) implementing EU Banking Package and enhancing Single Rulebook, ii) sustainable economy, iii) data infrastructure, iv) DORA and MiCAR, and v) AML/CFT framework.

- **ESMA publishes its 2025 work program**  
The [strategic priorities](#) are: i) effective markets and financial stability; ii) effective supervision; iii) retail investor protection; iv) Sustainable Finance; and v) Technological Innovation.
- **EIOPA publishes first batch of consultations on technical standards after Solvency II review**  
[Consultations](#) on regulatory and implementing technical standards regarding changes that are expected to be introduced to the regulatory framework as part of the Solvency II review process. Deadline: Jan 2, 2025.

## Spain

- **BdE approves the new framework for setting the CCyB and sets the buffer rate for Q4 2024**  
It has set the [CCyB](#) at 0.5% from Q4 2024 (to be applicable from Oct 1, 2025) and will raise it to 1% from Q4 2025 (to be applicable from Oct 1, 2026). This second increase will be confirmed in a new decision.

## United Kingdom

- **BoE and FCA publish the end of LIBOR**  
The remaining synthetic [LIBOR](#) settings were published for the last time and LIBOR came to an end. All 35 LIBOR settings have now permanently ceased.

## United States

- **OCC issues bulletin on refinance risk**  
It provides banks with [guidance](#) for managing credit risk associated with refinance risk (on transaction and portfolio level). It does not address other types of risks.
- **OCC publishes its bank supervision operating plan for 2025**  
It outlines its [supervision priorities](#) and objectives, facilitating the implementation of supervisory strategies for individual entities subject to OCC examination.

## Recent publications of interest (in English and Spanish):

- [Press Article](#). *How should banks integrate climate in their risk management* (only in Spanish). August 2024
- [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.

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

## **DISCLAIMER**

The present document does not constitute an “Investment Recommendation”, as defined in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (“MAR”). In particular, this document does not constitute “Investment Research” nor “Marketing Material”, for the purposes of article 36 of the Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (MIFID II).

Readers should be aware that under no circumstances should they base their investment decisions on the information contained in this document. Those persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data or opinions regarding the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, and have not been independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding its accuracy, integrity or correctness.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Neither shall this document nor its contents form the basis of any contract, commitment or decision of any kind.

The content of this document is protected by intellectual property laws. Reproduction, transformation, distribution, public communication, making available, extraction, reuse, forwarding or use of any nature by any means or process is prohibited, except in cases where it is legally permitted or expressly authorised by BBVA on its website [www.bbva.com](http://www.bbva.com)