

Financial Regulation: Weekly Update

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Highlights

1. FSB issues report on depositor behavior and interest rate and liquidity risks
2. FSB releases reports on cross-border payments
3. EBA clarifies the classification of asset referenced tokens (ARTs) and e-money tokens (EMTs)
4. FSB status report on G20 crypto-asset policy implementation roadmap
5. PRA launches consultation on large exposures

Global

- **FSB issues report on depositor behavior and interest rate and liquidity risks**
The most vulnerable types of firms are life insurers, [non-bank](#) real estate investors, and a weak tail of banks. Technological advancements facilitated deposit transfer and social media influenced some of the bank runs.
- **FSB releases reports on cross-border payments**
It [details](#) work to enhance cross-border payments and welcomes the significant achievements of standard setters and international bodies in reducing obstacles to more effective cross border payments.
- **FSB status report on G20 crypto-asset policy implementation roadmap**
Nearly all jurisdictions [have made progress](#) in implementing the policy and regulatory responses developed by standard-setting bodies and plan to develop regulatory frameworks for crypto-assets and stablecoins.
- **FSB progress report on implementation of the legal entity identifier (LEI)**
It [finds](#) the number of active LEIs has reached 2.6 million, an increase of 84% compared to 2019. It is used in OTC derivatives and securities markets.
- **FSB report on financial stability implications of tokenization**
It [analyzes](#) recent developments in DLT-based tokenization, including the potential uses of tokenized assets and their interaction with the traditional financial system. It does not examine CBDCs or crypto-assets.
- **CPMI releases report on central bank token arrangements**
It [examines](#) tokenization and looks at global challenges by focusing on the possible benefits of tokenization in addressing existing frictions in financial markets. It also notes that the costs and risks need to be considered.
- **IAIS publishes five-year strategic plan for 2025 - 2029**
[Strategic themes](#) in the program: climate change, digital innovation and cyber risks and supporting insurance to serve its societal purpose of building resilience. The 2025 roadmap will be published in early 2025.

Europe

- **EBA clarifies the classification of asset referenced tokens (ARTs) and e-money tokens (EMTs)**
It [sets out](#) the procedural aspects related to the significance assessment of ARTs and EMTs and the transfer of supervisory responsibilities from the national competent authorities to the EBA.
- **EBA publishes a first draft of the technical package for its 4.0 reporting framework**
It [provides](#) specifications to support reporting obligations on asset-referenced tokens, electronic money tokens and COREP templates. The final version will be released in Dec 2024 and reporting obligations will apply as of H1 2025.
- **ESMA launches survey on legal entities identifiers**
The [survey](#) is aiming to gather evidence on the impacts of including alternatives for reporting or record keeping requirements. Deadline: Nov 12, 2024.

Spain

- **CNMV notifies ESMA on the compliance of its guidelines on ESG funds naming**
It [adheres](#) to the guidelines and explains that clarification at European level will be necessary on issues such as what is considered a significant investment and the application of exclusion criteria to green bonds.

United Kingdom

- **PRA launches consultation on large exposures**
It [sets out](#) the proposals to implement the remaining Basel large exposures standards. They include measures relating to the change of the calculation method for exposures to SFTs. Deadline: Jan 17, 2025.
- **BoE releases consultation paper on its fees regime for financial market infrastructure supervision**
It [sets out](#) proposals for its supervisory fees for financial market infrastructure (FMI) for 2024/25 covering UK and incoming (non-UK) FMIs. Deadline: Apr 3, 2024.

United States

- **FDIC releases semiannual update on the restoration plan**
It projects that the [reserve ratio](#) remains on track to reach the statutory minimum of 1.35 percent ahead of the statutory deadline of Sep 30, 2028.
- **FDIC extends compliance date for its final rule on signage and advertising requirements**
It provides financial institutions [additional time](#) to get new processes and systems in place. Extension applies only to the application of Part 328, subpart A. New deadline: May 1, 2025.
- **SEC releases its 2025 examination priorities**
This year's examinations will [prioritize perennial](#) and emerging risk areas, such as fiduciary duty, standards of conduct, cybersecurity, and artificial intelligence.
- **OCC finalizes revisions to its recovery planning guidelines**
It expands the scope of application of the [guidelines](#); incorporates a testing standard for recovery plans; clarifies the role of non-financial risk and provides banks with timeframes for compliance.

- **CFPB finalizes personal financial data rights rule**
It requires [financial institutions](#), credit card issuers, and other financial providers to unlock an individual's personal financial data and transfer it to another provider at the consumer's request for free.

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](#).

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