

Financial Regulation: Weekly Update

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Highlights

1. FATF launches consultation on AML/CFT and financial inclusion
2. ESAs publish 2024 joint report on principal adverse impacts under the SFDR
3. EBA consults on the initial margin model authorization under the revised EMIR
4. EBA consults on draft technical standards for structural foreign exchange positions
5. CNMV publishes the report on the breakdowns on the European environmental taxonomy

Global

- **FATF launches consultation on AML/CFT and financial inclusion**
It [focuses](#) on Recommendation 1 which aims to better promote financial inclusion through an increased focus on proportionality and simplified measures in the risk-based approach. Deadline: Dec 6, 2024.
- **IAIS publishes aggregate report on the peer review process on ICP 16**
The results [show](#) that in the majority of participating members there are only minor shortcomings which do not raise any concerns about the supervisor's ability to achieve full observance with the ICP 16.

Europe

- **ESAs publish 2024 joint report on principal adverse impacts (PAIs) under the SFDR**
It [shows](#) that the quality of the PAI statements and the quality of the information disclosed by financial products have improved. It also includes recommendations to NCAs and to the European Commission.
- **EBA consults on the initial margin model authorization under the revised EMIR**
It [seeks](#) general information, in cooperation with ESMA and EIOPA, on entities within the scope of IM model authorization as well as specific information relevant for fee calculation. Deadline: Nov 29, 2024.
- **EBA consults on draft technical standards for structural foreign exchange positions**
They [introduce](#) changes to enhance consistency: quantitative thresholds, maximum open position computation, clarifications on risk positions and policies for illiquid currencies. Deadline: Feb 7, 2025.
- **ESAs finalize rules to facilitate access to financial and sustainability information on the ESAP**
It [specifies](#) the requirements for making information easily accessible and defines how reporting entities should be categorized and what types of information should be made available on the ESAP.
- **ESMA consults on amendments to MiFID research regime**

The [consultation](#) follows changes to the Listing Act which enables joint payments for execution services and research for all insurers, irrespective of market capitalization. Deadline: Jan 28, 2025.

- **ESMA consults on proposals to streamline the prospectus area**
It [recommends](#) facilitating EU capital market activity reducing regulatory burden. Presenting proposals for non-equity securities with ESG features and updating data reporting requirements. Deadline: Dec 31, 2024.
- **EIOPA publishes October 2024 risk dashboard for IORPs**
It [shows](#) that risks in the European IORP sector are stable and at medium levels overall, with signs of vulnerabilities stemming from market volatility.

Spain

- **CNMV publishes the report on the breakdowns on the European environmental taxonomy**
It [shows](#) that the alignment ratios have been considerably low when compared to eligibility. The report includes recommendations for financial entities to improve reporting on taxonomy in future exercises.
- **CNMV authorizes new organized trading system in Spain**
It authorizes a [new organized trading system](#), which is a type of multilateral system regulated under MiFID II, for the trading of equity derivatives.

United Kingdom

- **FCA publishes results of non-financial misconduct survey**
It seeks to understand how firms record and manage allegations of non-financial [misconduct](#), allowing firms to benchmark their own reporting against the peer analysis.

United States

- **SEC issues final rule on covered clearing agencies**
It seeks to improve the resilience and [recovery](#) and wind-down planning of covered clearing agencies. It also establishes new requirements on the collection of intraday margins.
- **US Treasury issues national strategy for financial inclusion**
It identifies objectives and [recommendations](#) for stakeholders (including policymakers and industry) to advance consumer access to safe financial products and services and strengthen financial security.

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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