

Financial Regulation: Weekly Update

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Highlights

1. PRA announces a new delay to the implementation of Basel
2. EBA launches a consultation on ESG scenario analysis
3. EBA and ESMA issue joint report on recent developments in crypto-assets
4. FSB develops analytical framework and toolkit to assess climate-related vulnerabilities
5. EBA publishes peer review on the application of proportionality under the SREP

Global

- **FSB develops analytical framework and toolkit to assess climate-related vulnerabilities**
It will [help](#) to identify the drivers of climate risks and related exposures in the financial system and the real economy, and to quantify their financial impact.
- **FSB presents report on transition plans for financial stability**
It [indicates](#) that continued efforts towards standardization and broader adoption of transition plans are key to enhancing effective use of these plans by financial authorities.
- **BCBS, CPMI and IOSCO publish reports on initial and variation margin**
The reports [contain](#) proposals and practices intended to improve transparency, streamline margin processes and increase the predictability of margin requirements across centrally and non-centrally cleared markets.

Europe

- **EBA launches a consultation on ESG scenario analysis**
It [sets out](#) expectations for institutions when adopting forward-looking approaches and incorporating the use of scenario analysis in their management framework. Deadline: Apr 16, 2025.
- **EBA and ESMA issue joint report on recent developments in crypto-assets**
It [finds](#) that DeFi remains a niche phenomenon, with value locked in DeFi protocols representing 4% of all crypto-asset market value. It sets out that EU adoption of DeFi is lower than other developed economies.
- **EBA publishes peer review on the application of proportionality under the SREP**
It [finds](#) that proportionality in the SREP, and in the liquidity assessment under the SREP, is largely implemented by the competent authorities under review.
- **ESMA publishes market report on the costs and performance of EU retail investment products**

It [shows](#) there is a decline in the costs of investing in key financial products. The cost of EU funds remains above international standards, and that their average size is much smaller than US mutual funds.

- **ECB presents its macroprudential bulletin on non-bank leverage**

It [explores](#) new ways of identifying risks derived from non-bank leverage that can be a source of systemic risk, and designs effective policies to address them.

- **SRB issues final decision on Sberbank shareholders compensation**

No compensation is due to [shareholders](#) affected by the resolution, as they were better off in resolution than they would have been under normal insolvency proceedings.

- **EIOPA publishes consumer trends report**

It [shows](#) that digitalization is transforming insurance and pensions services as consumers are increasingly using digital tools to compare offers, process their claims and make projections of their pension entitlements.

United Kingdom

- **PRA announces a new delay to the implementation of Basel**

The PRA, in consultation with HM Treasury, [has decided](#) to delay the implementation of Basel 3.1 in the UK by one year until 1 January 2027. This allows more time for greater clarity on the implementation in the US.

- **FCA and PRA publish consultation on Management Expenses Levy Limit (MELL)**

It [sets out](#) proposals for the MELL for the Financial Services Compensation Scheme (FSCS) for 2025/26. The MELL covers the FSCS's costs of operating the compensation scheme. Deadline: Feb 7, 2025

United States

- **CFPB consults on rule to ban certain contract clauses**

It seeks to [block clauses](#) to opt out of statutes passed by Congress or state legislatures; to bar fining, suing or deplatforming based on consumer comments, reviews, or political/religious views; to stop unilateral updates of contracts and give consumers the ability to make decisions about their options in the market. Deadline: Apr 1.

- **CFPB issues report on Buy Now Pay Later (BNPL)**

It finds that more than a fifth of [consumers](#) used BNPL loans in 2022, with most of those consumers having subprime or deep subprime credit scores. Also, BNPL borrowers took out multiple BNPL loans.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Less bureaucracy and regulation to boost European sustainability* (Spanish only). January 2025
- [Press Article](#). *The role of tokenization in the financial system of the future* (Spanish only). January 2025
- [Press Article](#). *How should banks integrate climate in their risk management* (Spanish only). August 2024
- [Press Article](#). *Basel III: good news for the prudent financial 'drivers'* (Spanish only). June 2024

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

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