

Financial Regulation: Weekly Update

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Highlights

1. FSB publishes final report on the effects of G20 financial regulatory reforms on securitization
2. EBA launches its 2025 EU-wide stress test
3. ECB to stress test 96 euro area banks in 2025
4. EBA publishes opinion on the interaction between the output floor and Pillar 2 requirements
5. FRB and FDIC publish their withdrawal from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS)

Global

- **FSB publishes final report on the effects of G20 financial regulatory reforms on securitization**
The [reforms](#) have contributed to the resilience of the securitization market, with no strong evidence of material negative side effects on the financing of the economy, but some improvements to the framework are needed.
- **FSB publishes 2025 work program**
Its [priorities](#) are digitalization, climate change, NBFIs resilience, cross-border payments, SIFIs framework, resolution reforms, global cooperation on financial stability and the evaluation of agreed reforms.

Europe

- **EBA launches its 2025 EU-wide stress test**
It [launched](#) its stress test and released the macroeconomic scenarios with the aim to assess banks' resilience to a hypothetical severely deteriorated macroeconomic environment. Results are expected in August 2025.
- **ECB to stress test 96 euro area banks in 2025**
Connected to the previous point, ECB [will stress test](#) a total of 96 banks (51 of the EU largest banks and, in parallel, 45 medium-sized banks not included in the EBA sample). Results are also expected in August 2025.
- **EBA publishes opinion on the interaction between the output floor and Pillar 2 requirements**
[P2R](#) should not increase as a result of an institution becoming bound by the output floor and highlights the possibility of double counting in setting P2R of risks already covered by the effects of a binding output floor.
- **ESAs issue report on the feasibility of further centralization in the reporting of major ICT incidents**
They assess the feasibility of [three models](#): a baseline model, a model with enhanced data sharing arrangements and a fully centralized model. It considers potential cost reductions as well as efficiency gains.

- **EBA repeals guidelines on major incident reporting under PSD2**
It [repealed](#) these guidelines due to the application of harmonized incident reporting under DORA from January 17, 2025. It aims to simplify the reporting of major incidents and provide certainty to the market.
- **EC, ECB and ESMA launch new governance structure to support transition to T+1 settlement cycle**
It has been [designed](#) to oversee and manage the operational, regulatory and technological aspects of this transition. It will involve authorities, market participants, financial market infrastructure and investors.
- **ESMA and EC publish guidance on non-MiCA compliant ARTs and EMTs (stablecoins)**
They have [released](#) a statement providing guidance on how and under which timeline crypto providers are expected to comply with the requirements of Titles III and IV of MiCA, as clarified in the [EC's Q&A](#).
- **ESRB publishes macro-financial scenario for the 2025 EU-wide banking sector stress test**
It [contains](#) the baseline and adverse macro-financial scenarios that banks are required to use in the 2025 EU-wide stress-testing exercise coordinated by the EBA.
- **Council and EP reach provisional agreement to simplify financial reporting requirements**
It will reduce administrative burden for authorities in the financial sector, by [simplifying](#) existing rules on data sharing between the ESAs and other financial sector authorities and by limiting new reporting requirements.

United Kingdom

- **PRA publishes letters on 2025 supervisory priorities**
Letters for [international](#) firms and [UK deposit](#) takers. Common themes across priorities: robust governance, risk management and controls, accurate information and proactive identification and mitigation of risks.

United States

- **FRB publishes its withdrawal from the NGFS**
It [explains](#) that the work of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) increasingly covers a range of issues that are outside of the Board's statutory mandate.
- **FDIC publishes its withdrawal from the NGFS**
It [explains](#) that the work of NGFS is not within the FDIC's authorities and mandate, and thus the FDIC has withdrawn.

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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