

# Financial Regulation: Weekly Update

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## Highlights

1. EC publishes AI continent action plan
2. EBA publishes annual assessment of banks' internal approaches to calculate capital requirements
3. ESMA consults on rules for external reviewers of European Green Bonds
4. ESMA publishes recommendations to simplify ESG disclosure rules for benchmarks
5. EIOPA publishes its approach to support simplification and competitiveness

## Europe

- **EC publishes AI continent action plan**  
It [focuses](#) on 5 pillars: building large-scale AI data; increasing access to high-quality data; fostering AI adoption in strategic EU sectors; strengthening AI skills and talents; regulatory simplification. It also publishes two consultations on: i) [the Cloud and AI Development Act](#); ii) the [Apply AI Strategy](#). Deadlines: June 4, 2025.
- **EBA publishes peer review on the performance of stress tests by deposit guarantee schemes**  
All seven DGSs have effectively developed [stress testing](#) programs with minor shortcomings, and demonstrated effective cooperation with relevant authorities. Only five demonstrated other relevant features.
- **EBA publishes annual assessment of banks' internal approaches to calculate capital requirements**  
It [aims](#) to monitor the consistency of RWAs across all EU institutions authorized to use internal approaches for calculating capital requirements. It also released a specific report on the FRTB alternative standard approach.
- **ESMA consults on rules for external reviewers of European Green Bonds**  
It [considers](#) that the RTS will enhance the robustness and transparency of external reviews and boost investors' confidence that their capital is genuinely driving the green transition. Deadline: May 30, 2025.
- **ESMA consults on clearing thresholds under EMIR 3**  
It [aims](#) to ensure a proportionate clearing obligation regime, focusing on entities with significant OTC derivatives activity and large uncleared positions. Deadline: June 16, 2025.
- **ESMA publishes recommendations to simplify ESG disclosure rules for benchmarks**  
It [includes](#) recommendations to the EC to alleviate the regulatory burden on benchmarks administrators and to benchmark administrators to enhance the transparency and comparability of ESG information.

- **EBA issues reports on non-EU banks in the EU and on EU banks' exposures in foreign currency**  
i) It finds that, as of Dec 2023, the market share of EU [subsidiaries](#) of third country banking groups amounts to 10.17% of total assets and 33.73% of derivatives. ii) EU/EEA banks hold nearly 30% of their exposures in foreign currencies, while receiving 21% of total funding in foreign currency (not counting foreign subsidiaries).
- **EBA publishes list of institutions involved in the 2025 supervisory benchmarking exercise**  
The [benchmarking](#) for 2025 will be conducted on a sample of 110 institutions from 16 countries across the EU and the EEA.
- **ESMA publishes final report on three draft technical standards as part of the MiFIR review**  
They [address](#) the application of the single volume cap and transparency calculations, a new qualitative regime for Systematic Internalizers and rules on circuit breakers and operational resilience for trading venues.
- **ESMA publishes final report on rules on firms' order execution policies under MiFID II**  
It [explains](#) how investment firms should establish their order execution policies and assess their effectiveness with the aim to enhance investment firms' order execution and foster investor protection.
- **ESRB publishes its March risk dashboard**  
A set of [indicators](#) focusing on: interlinkages and composite measures of systemic risks, macro risks, credit risks, funding and liquidity, market risk, profitability and solvency, structural risks, and risks related to CCPs.
- **EIOPA publishes its approach to support simplification and competitiveness**  
It [supports](#) the objective of simplifying regulation and reducing administrative burdens for enhanced European competitiveness by calling for smarter and harmonized regulation alongside more effective supervision.
- **EIOPA launches the 2025 stress test of occupational pension funds in Europe**  
It [probes](#) the sector's sensitivity to rapid movements in yield curves and focuses on liquidity risks in light of the recent years' market episodes underlining their relevance for long-term institutional investors.
- **EIOPA launches three consultations related to the Solvency II review**  
They [focus](#) on guidelines on exclusions from group supervision, revised guidelines on the treatment of related undertakings and a revised opinion on the use of volatility adjustments. Deadline: June 26, 2025
- **EIOPA publishes monthly technical information for Solvency II**  
Monthly technical information with reference to the end of March 2025 on: i) the relevant [risk-free interest rate](#) term structures and ii) the symmetric [adjustment](#) of the equity capital charge for Solvency II.

## Spain

- **BdE consults on public and confidential financial reporting standards and financial statement formats**  
It [modifies](#) Circular 4/2017 to maintain alignment with EU IFRS, avoiding the application of different accounting criteria, and revising the requirements for credit risk coverage by country risk.
- **CNMV publishes annual supervisory report on non-financial information of listed companies**  
During 2025, attention will be focused on [assessment of materiality](#), scope and structure of reports, art. 8 of the Taxonomy Regulation and internal control systems and sustainability risk management.
- **BdE publishes its annual supervisory report**  
It [sets out](#) supervisory actions to increase resilience to macrofinancial and geopolitical shocks, address issues in governance and climate risk management, and progress in digital transformation and operational resilience.

## United Kingdom

- **BoE publishes report on AI in the financial system**  
It [Focus](#) on increasing use of AI in banks and insurers' core financial decision-making and in financial markets, posing potential risks to systemic firms and markets, and in service providers, posing operational risks.
- **PRA launches consultation to help insurers accelerate investment in the UK**  
It [proposes](#) the introduction of a new framework to enable faster, capital efficient, investment by UK insurance firms in new assets. Deadline: June 4, 2025.
- **FCA includes support for innovative products and new firms in its work program**  
It will [enable](#) a new innovative market for private companies to improve their ability to grow and scale up. The AI Lab will support the use of AI solutions to drive growth and competitiveness in financial markets.
- **FCA consults on reforms to its regime for alternative asset managers**  
It [proposes](#) reforms to make it easier for firms to enter the market, grow, compete and innovate, while encouraging effective risk management to maintain market confidence. Deadline: June 9, 2025.

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

- [Press Article](#). *Achievements and challenges following a decade of European resolution*. February 2025
- [Press Article](#). *What we ask from Von der Leyen's Omnibus initiative*. February 2025
- [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

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

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