

# Financial Regulation: Weekly Update

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## Highlights

1. ECB, EBA and ESMA issue statements regarding COVID-19 and mitigation actions
2. ESMA consults on draft technical standards for benchmarks and on MiFIR transparency regime
3. EBA publishes the chapter on Management Information System of its handbook on valuation for purposes of resolution
4. BoE lowers the CCyB rate and issues an accompanying statement
5. US Agencies consult on updates to resolution plan guidance for large foreign banks

## EUROPE

### ■ ECB, EBA and ESMA issue statements regarding COVID-19 impact and mitigation actions

They are monitoring the [financial market](#) as a result of the COVID-19 situation, taking contingency measures in coordination with NCAs to mitigate the impact on the EU [banking sector](#) and providing temporary capital and operational [relief](#).

### ■ ESMA consults on draft technical standards for benchmarks

The agency [consults](#) on governance arrangements, controls and methodology used by administrators, and criteria applied by authorities when assessing how benchmark is transitioned to a new administrator. Deadline: May 9.

### ■ ESMA consults on MiFIR transparency regime for non-equity instruments

The [objective](#) is to simplify the current reporting system to create a set of uniform rules for the European Union, while maintaining overall trade transparency for market participants. Deadline: Apr 19, 2020.

### ■ EBA publishes chapter on Management Information Systems assessment

It seeks to explain how [resolution authorities](#) should assess institutions' MIS, in their resolvability assessment, to guarantee that information is swiftly provided to support a robust valuation.

### ■ EBA issues revised list of validation rules in its ITS on supervisory reporting

The list highlights [ITS](#) deactivated either for incorrectness or for triggering IT problems. EU NCAs are informed that data submitted in accordance with these ITS should not be formally validated against the set of deactivated rules.

### ■ EBA publishes opinion on the treatment of credit insurance in the prudential framework

In response to feedback received in its public consultations on credit risk mitigation for institutions applying own estimates of LGD, [EBA concludes](#) that no specific regulatory LGD should be set for credit insurance claims.

- **ESMA publishes its 2020 supervision work programme**

It prepares for its new [supervisory](#) responsibilities under SFTR, the securitisation and benchmarks regulation and MiFIR. It also focuses in the supervision of CRAs, trade repositories, monitoring of third-country CCPs and CSDs.

- **ESMA publishes double volume cap data**

It updates the public register with the [latest DVC](#) data and calculations under MiFID II for the Feb 1, 2019 - Jan 01, 2020 period.

- **ECB updates list of supervised entities**

[The list](#) includes significant institutions directly supervised by ECB and less significant institutions indirectly supervised by ECB. The total number of significant supervised entities is 117 as of Feb 1, 2020.

## SPAIN

- **CNMV bans temporarily short sales on the Spanish stock exchanges**

The [ban](#) affects today short sales of all liquid shares admitted to trading on the Spanish stock exchanges whose price has fallen by more than 10% during the session of 12 March 2020 and all illiquid shares.

## UNITED KINGDOM

- **BoE issues statement and lowers the CCyB rate**

It sets the UK [CCyB rate at 0%](#) with immediate effect (for at least 12 months), and issues a series of recommendations such as not increasing dividends and other distributions in response to this policy.

- **FCA consults on proposals to improve climate-related disclosures by listed companies**

Requires companies with premium listing to make [climate](#) related disclosures consistent with TCFD approach, and consults on current sustainability related disclosure requirements applicable to listed companies. Deadline: Jun 5.

- **BoE publishes policy statement on credit unions**

It amends the [credit union](#) part of the PRA rulebook and updates de supervision part of the prudential regulation of credit unions.

- **BoE publishes policy statement on pre-issuance notification requirements**

It provides [feedback](#) to a previous consultation, amending some definitions, and updating previous supervisory statements, forms, and templates.

## UNITED STATES

- **Agencies consult on updates to resolution plan guidance for large foreign banks**

Proposed guidance for [resolution plans](#) submitted by large foreign banks, with a focus on the expectations around firms' derivatives and trading activities and payment, clearing, and settlement activities. Deadline: 60 days.

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

- [Press Article](#). *Las prioridades de la nueva Comisión Europea*. January 2020.
- [Press Article](#). *U.S. banking regulation: a change in the trend*. January 2020.
- [Press Article](#). *Europe strengthens its financial supervision authorities*. February 2020.
- [Press Article](#). *Central Bank Digital Currencies: the cross-border dimension*. March 2020.

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

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