

RegWatch newsletter – September 2020

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This month's News

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CRR/CRD

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18/09/2020 The EBA submits an Opinion to the EC to point out to the opportunity to clarify certain issues relating to the definition of credit institution in the upcoming CRR and CRD review. This Opinion raises two additional points relating to a) divergent approaches as to the scope of the authorisation; and b) the kind and extent to which commercial activities may be carried out by credit institutions.

See [the related EBA press release](#)

18/09/2020 The ECB publishes its finalised guide outlining the methodology it uses to assess the validity of internal models for the calculation of counterparty credit risk (CCR) and advanced CVA risk, following a public consultation which ended on 18 March 2020.

See [the ECB guide on assessment methodology for internal models on CCR and CVA](#)

21/09/2020 The EBA announces it will phase out its Guidelines on legislative and non-legislative payment moratoria in accordance with its end of September deadline. The regulatory treatment set out in the Guidelines will continue to apply to all payment holidays granted under eligible payment moratoria prior to 30 September 2020.

See [the related EBA press release](#)

24/09/2020 The EC adopts a new action plan to facilitate the implementation of the Capital Markets Union (CMU) under the current economic context.

See [the related press release](#)

MiFIR/MiFID

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28/09/2020 The ESMA publishes draft RTS and ITS on the provision of investment services and activities in the EU by third-country firms under MiFIR and MiFID II. These publications follow the changes introduced by the Investment Firms Regulation (IFR) and Directive (IFD).

See [the related ESMA press release](#)

07/09/2020 The FSB delays the implementation of minimum haircut standards for non-centrally cleared securities financing transactions (SFTs) by one year, to align on the implementation timeline of the Basel III framework, also previously delayed. For bank-to-non-bank transactions, the updated implementation date is January 2023 (instead of January 2022). For non-bank-to-non-bank transactions, the updated implementation date is January 2025 (instead of January 2024).

See [the related FSB press release](#)

Climate Risks

17/09/2020 The EBA launches an online survey on disclosure of information on environmental social governance (ESG) risks. The survey is addressed to large credit institutions that will be required to disclose prudential information on ESG risks. The survey runs until 16 October 2020.

See [the related EBA press release](#)

21/09/2020 The ESAs launch a survey on product templates in the context of the regulation on sustainability-related disclosures in the financial services (SFDR). The templates aim at standardizing the disclosure of information for financial products that promote environmental and/or social characteristics or have a sustainable objective. The survey is open for comments until 16 October 2020.

See [the related EBA press release](#)

25/09/2020 The EC consults on the establishment of an EU Green Bond Standard (GBS). The EC's Technical Expert Group on Sustainable Finance already provided detailed input on the possible form of an EU GBS in its proposal for an EU GBS in June 2019, and drafted a usability guide in March 2020. The deadline for comments is extended to 2 October 2020.

See [the related press release](#)

IFRS

30/09/2020 The Trustees of the IFRS Foundation publish a Consultation Paper to assess demand for global sustainability standards and assess whether and to what extent the Foundation might contribute to the development of such standards. The consultation is open for comment until 31 December 2020. Webinars discussing the Consultation Paper will be scheduled during the consultation period.

See [the related IASB press release](#)

List of acronyms used in this issue

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CCR	Counterparty Credit Risk
CMU	Capital Markets Union
CRD	Directive 2013/36/EU (Capital Requirements Directive)
CRR	Regulation (EU) No 2013/575 (Capital Requirements Regulation)
CVA	Credit Valuation Adjustment
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
EMIR	European Markets Infrastructure Regulation
ESAs	European Supervisory Authorities
ESG	Environmental, social and governance
ESMA	European Securities and Markets Authority
EU	European Union
FRTB	Fundamental Review of the Trading Book
FSB	Financial Stability Board
GBS	Green Bond Standard
IASB	International Accounting Standards Board
IFD	Investment Firms Directive (Directive (EU) 2019/2034)
IFR	Investment Firms Regulation (see IFD)
IFRS	International Financial Reporting Standard
ITS	Implementing Technical Standards
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
RTS	Regulatory Technical Standards
SFDR	Sustainability-related Financial Disclosure Regulation
SFTs	Securities Financing Transactions Regulation

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