

# RegWatch newsletter – April 2021

Contact the authors: Elena Atienza ([elena.atienza@reacfin.com](mailto:elena.atienza@reacfin.com)), Antoine Gustin ([antoine.gustin@reacfin.com](mailto:antoine.gustin@reacfin.com))

## This month's News

Go to | [\[CRR/CRD\]](#) | [\[Solvency II\]](#) | [\[IDD\]](#) | [\[IORPD\]](#) | [\[MiFIR/MiFID\]](#) | [\[Climate Risk\]](#) | [\[IFRS\]](#) | [\[Acronyms List\]](#)

### CRR/CRD

[\[Go to top\]](#)

**15/04/2021** The EBA publishes final draft RTS specifying the conditions according to which consolidation shall be carried out in line with Article 18 of CRR. In particular, the RTS introduce several step-in risk indicators which can support the application of the recently introduced Article 18 (8).

See [the related EBA press release](#)

**28/04/2021** The EBA consults on a proposal to introduce proportionality considerations in ALMM reporting for small and non-complex institutions. The consultation runs until 28 July 2021.

See [the related EBA press release](#)

**28/04/2021** The EBA consults on its draft Guidelines on the delineation and reporting of available financial means (AFM) of DGSs. The consultation runs until 28 July 2021.

See [the related EBA press release](#)

**29/04/2021** The EBA launches a consultation on draft RTS specifying the conditions under which a national authority may impose higher RWs or minimum LGD values for exposures secured by immovable property. The draft RTS treats both the SA and IRB approach.

See [the related EBA press release](#)

See [the draft RTS on the assessment of RWs and LGDs for mortgage loans](#)

### Solvency II

[\[Go to top\]](#)

**19/04/2021** The EIOPA publishes an Opinion on the use of climate change risk scenarios in the ORSA. The Opinion sets out clear expectations in this respect, and provides the different scenarios and time horizons that should be considered by insurance undertakings. This follows from a survey conducted by NCAs that showed that no more than 13% of undertakings were capturing climate risk adequately in their ORSA.

See [the related EIOPA press release](#)

## IDD

[\[Go to top\]](#)

**08/04/2021** The EIOPA launches its IDD Single Rulebook online tool. The tool facilitates navigation across different legal acts such as the Directive, Delegated and Implementing Regulations, as well as Guidelines and Q&As.

See [the IDD Single Rulebook online tool](#)

## IORPD

[\[Go to top\]](#)

**22/04/2021** The EIOPA publishes two consultation papers on the IORP II Directive, addressing the risk assessment under defined contribution (DC) schemes and the supervisory reporting of costs and charges. Both consultations run until 22/07/2021. The final Opinions are expected for the 4<sup>th</sup> quarter of 2021.

See [the related EIOPA press release](#)

## MiFIR/MiFID

[\[Go to top\]](#)

**08/04/2021** The ESMA publishes its Final Report on the functioning of Organised Trading Facilities (OTFs). The report contains recommendations and possible amendments to MiFID II/MiFIR with a view to reducing the level of complexity for market participants.

See [the related ESMA press release](#)

## Climate Risk

[\[Go to top\]](#)

**14/04/2021** The BCBS publishes two reports on climate-related financial risks, examining their drivers, transmission channels, and taking stock of the available measurement and estimation methodologies. *“The reports conclude that climate risk drivers can be captured in traditional financial risk categories. But additional work is needed to connect climate risk drivers to banks’ exposures and to reliably estimate such risks”.*

See [the related BCBS press release](#)

**21/04/2021** The EC adopts a package of measures aiming at supporting the financing of sustainable activities across the EU. In particular, agreement has been reached on the *EU Taxonomy Climate Delegated Act*, which clarifies the sustainability level of investments, and a Corporate Sustainability Reporting Directive (CSRD) is proposed, with the aim of reinforcing the NFRD already in force.

See [the related EC press release](#)

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**20/04/2021** IASB publishes proposed amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* for public consultation. The deadline for comments is 01/09 2021.

See [the related IASB press release](#)

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**21/04/2021** IASB publishes a proposed update to the IFRS Taxonomy 2021 for the following amendments to IFRS Standards: *Disclosure of Accounting Policies* (amendments to IAS 1 and IFRS Practice Statement 2), and *Definition of Accounting Estimates* (amendments to IAS 8). The deadline for comments is 21/06/2021.

See [the related IASB press release](#)

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**30/04/2021** IFRS Foundation Trustees publish institutional arrangements for proposed new sustainability standards board. In addition, they publish a Feedback Statement that summarises feedback received to their consultation on sustainability reporting.

See [the related IASB press release](#)

## List of acronyms used in this issue

[\[Go to top\]](#)

AFM	Available Financial Means (see DGS)
ALMM	Additional Liquidity Monitoring Metrics (see CRR)
BCBS	Basel Committee on Banking Supervision
CRD	Directive 2013/36/EU (Capital Requirements Directive)
CRR	Regulation 2013/575/EU (Capital Requirements Regulation), amended by Regulation 2019/876/EU (CRR 2)
CSRD	Corporate Sustainability Reporting Directive
DC	Defined Contribution (see IORPD)
DGS	Deposit Guarantee Scheme
EBA	European Banking Authority
EC	European Commission
EIOPA	European Insurance and Occupational Pensions Authority
ESMA	European Securities and Markets Authority
EU	European Union
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IDD	Insurance Distribution Directive
IFRS	International Financial Reporting Standard
IORP	Institutions for Occupational Retirement Provision
IORPD	Directive 2016/2341/EU (Institutions for Occupational Retirement Provision Directive)
IRB	Internal-Ratings Based
LGD	Loss Given Default
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
NCA	National Competent Authority
NFRD	Directive 2014/95/EU (Non-Financial Reporting Directive)
ORSA	Own Risk and Solvability Assessment
OTF	Organised Trading Facilities (see MiFID)
RTS	Regulatory Technical Standards
RW	Risk Weight
SA	Standard Approach (see CRR/Solvency)

## About Reacfin

Reacfin S.A. is a Belgian-based consulting firm specialized in

- Actuarial science,
- Risk,
- Portfolio management, and
- Data science.



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For more information, please visit our website [www.reacfin.com](http://www.reacfin.com) or contact one of our managing partners:



Xavier Marechal  
Tel: +32 497 48 98 48  
Mail : [xavier.marechal@reacfin.com](mailto:xavier.marechal@reacfin.com)



François Ducuroir  
Tel: +32 472 72 32 05  
Mail : [francois.ducuroir@reacfin.com](mailto:francois.ducuroir@reacfin.com)