

RegWatch newsletter – June 2021

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This month's News

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CRR/CRD

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03/06/2021 The EBA publishes updated ITS on benchmarking of internal approaches. The updated ITS include all benchmarking portfolios and metrics that will be used for the 2022 exercise.

See [the related EBA press release](#).

07/06/2021 The EBA launches a second consultation on its draft RTS on the calculation of the threshold for investment firms. The proposals relate to geographical constraints of some undertakings as well as methodology for the calculation of the thresholds. The consultation runs until 17 July 2021.

See [the related EBA press release](#).

23/06/2021 The EBA launches a public consultation to amend its ITS on Supervisory Reporting with regards to COREP and asset encumbrance reporting as well as the reporting for the purposes of identifying G-SIIs. The consultation paper aims to enhance proportionality in the area of asset encumbrance reporting. The consultation runs until 23 September 2021.

See [the related EBA press release](#).

24/06/2021 The EBA launches a public consultation on amendments to its RTS on credit risk adjustments in the context of the calculation of the RWs of defaulted exposures under the Standardised Approach (SA). The amendments are necessary to ensure the prudential framework does not create disincentives to the sale of non-performing assets. The consultation runs until 24 September 2021.

See [the related EBA press release](#).

Solvency II

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10/06/2021 The ESAs (EBA, EIOPA and ESMA) publishes two amended ITS on the mapping of credit assessments of ECAs. The amendments reflect the recognition of two new CRAs, the outcome of a monitoring exercise on the adequacy of existing mappings and the deregistration of a number of CRAs.

See [the related EIOPA press release](#).

IORPD

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22/06/2021 The EIOPA publishes its Discussion Paper on the Methodological Framework for Stress-Testing IORPs. The paper sets out theoretical and practical rules, guidance and possible approaches to support future IORP stress test exercises. EIOPA invites stakeholders to provide their feedback on the discussion paper by 22 September 2021.

See [the related EIOPA press release](#).

MiFIR/MiFID

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25/06/2021 The EBA publishes its final draft ITS on information on supervisory approaches and aggregate statistical data concerning the new prudential requirements that competent authorities will have to disclose publicly for all types of investment firms authorised under the MiFID.

See [the related EBA press release](#).

IFRS

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02/06/2021 The IFRS Foundation held a live webinar on 19 May 2021 about IASB's Exposure Draft "Disclosure Requirements in IFRS Standards—A Pilot Approach". The recording of this webinar is now available. The deadline for comments on the Exposure Draft is 21 October 2021.

See [the related IASB press release](#).

24/06/2021 A recording of the virtual research workshop held on the Exposure Draft "Management Commentary" by IASB, in conjunction with EAA and EFRAG, on 18 June is now available.

See [the related IASB press release](#).

29/06/2021 The IFRS Foundation held a live webinar on 17 June 2021 about IASB's Exposure Draft "Disclosure Requirements in IFRS Standards—A Pilot Approach". The recording of this webinar is now available. The deadline for comments on the Exposure Draft is 21 October 2021.

See [the related IASB press release](#).

Climate Risk

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23/06/2021 The EBA publishes its Report on management and supervision of ESG risks for credit institutions and investment firms. The Report provides common definitions of ESG risks, identifies evaluation methods needed for effective risk management, and sets the foundations for future EBA Guidelines on the topic.

See [the related EBA press release](#).

24/06/2021 The EBA updates on monitoring of Additional Tier 1 instruments and issues recommendations for ESG-linked capital issuances. The EBA provides best practices or practices that should be avoided for ESG issuances made for capital/loss absorbency purposes.

See [the related EBA press release](#).

Others

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04/06/2021 The EIOPA publishes Guidelines on the supervisory reporting for the Pan-European Personal Pension Product (PEPP) to ensure the common, uniform and consistent application of the PEPP Regulation's reporting requirements.

See [the related EIOPA press release](#).

07/06/2021 The EBA makes recommendations for reducing supervisory reporting costs collectively leading to a potential reduction of the banks' reporting costs by up to 15-24%. Most will be implemented as part of EBA's ongoing policy work on developing and enhancing the common EU supervisory reporting framework.

See [the related EBA press release](#).

17/06/2021 The EIOPA publishes a report setting out AI governance principles for an ethical and trustworthy AI in the European insurance sector. The report aims to help insurance companies when putting in place risk-based and proportionate measures, providing guidance on how to implement key principles in practice throughout the lifecycle of an AI application.

See [the related EIOPA press release](#).

24/06/2021 The EC, the ECB, the EBA and the ESMA issue a joint statement in which they strongly encourage market participants to cease all LIBOR settings. Participants are also called on to limit the use of any LIBOR setting published under a changed methodology and to include robust fallback clauses nominating alternative rates in all contracts referencing LIBOR.

See [the related ECB press release](#).

29/06/2021 The NBB publishes an update of its Law of 13 March 2016 on the status and supervision of insurance and reinsurance undertakings following the Law of 2 June 2021 on various financial measures relating to the fight against fraud (BOG 18 June 2021).

See [the related NBB press release](#).

List of acronyms used in this issue

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AI	Artificial Intelligence
BCBS	Basel Committee on Banking Supervision
BOG	Belgian Official Gazette
COREP	Common Reporting Framework
CRA	Credit Rating Agency
CRD	Directive 2013/36/EU (Capital Requirements Directive)
CRR	Regulation 2013/575/EU (Capital Requirements Regulation), amended by Regulation 2019/876/EU (CRR 2)
EAA	European Accounting Association
EBA	European Banking Authority
EC	European Commission
ECAI	External Credit Assessment Institution
ECB	European Central Bank
EFRAG	European Financial Reporting Advisory Group
EIOPA	European Insurance and Occupational Pensions Authority
ESA	European Supervisory Authorities
ESG	Environmental, social and governance
ESMA	European Securities and Markets Authority
G-SII	Globally Systemically Important Institution
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard
IORP	Institutions for Occupational Retirement Provision
IORPD	Directive 2016/2341/EU (Institutions for Occupational Retirement Provision Directive)
ITS	Implementing Technical Standards
LIBOR	London Interbank Offered Rate
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
NBB	National Bank of Belgium
PEPP	Pan-European Personal Pension Product
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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