

# RegWatch newsletter – November 2021

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## This month's News

Go to | [\[CRR/CRD\]](#) | [\[EMIR\]](#) | [\[Basel III\]](#) | [\[Climate Risk\]](#) | [\[IORP III\]](#) | [\[IFRS\]](#) | [\[Others\]](#) | [\[Acronyms List\]](#)

### CRR/CRD

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

**05/11/2021** The EBA publishes final draft RTS specifying the types of factors and conditions to be considered for the assessment of risk weights and of minimum LGD values.

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

**10/11/2021** The EBA publishes draft ITS on Pillar 3 disclosure of institutions' exposures to IRRBB. These final draft ITS were submitted to the European Commission for adoption.

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

**11/11/2021** The EBA consults on machine learning used in the context of IRB models to calculate regulatory capital for credit risk. The consultation runs until 11 February 2022.

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

**11/11/2021** The EU publishes a corrigendum to the revised CRR in its OJ. The corrigendum makes changes to text in various article.

See [the related corrigendum](#).

**11/11/2021** The EBA publishes Guidelines on a common assessment methodology for granting authorisation as a credit institution. It is addressed to all competent authorities across the EU in charge of granting authorisation as a credit institution.

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

**16/11/2021** The EU publishes in its OJ amendments laying down ITS for templates, definitions and IT-solutions to be used by institutions when reporting to the EBA and competent authorities under Article 78(2) of the CRD IV. The Implementing Regulation enters into force on 9 December 2021.

See [the related amendments](#).

**24/11/2021** The EBA publishes Guidelines final draft RTS on how to calculate risk weighted exposure amounts for CIU exposures.

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

## EMIR

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

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**04/11/2021** The EBA consults on its draft RTS on Initial Margin Model Validation under EMIR. The consultation sets out the supervisory procedures for initial and ongoing validation of initial margin models, which will be used to determine the level of margin requirements for uncleared OTC derivatives. The consultation runs until 4 February 2022.

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

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**18/11/2021** The ESMA consults on the potential extension of the list of financial instruments eligible for investments by CCPs under EMIR, including EU MMFs. The consultation runs until 24 January 2022.

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

## Basel II

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

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**09/11/2021** The BCBS finalises a technical amendment which relates to the process used to review the G-SIB assessment methodology.

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

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**11/11/2021** The BCBS publishes revisions to market risk disclosure requirements to reflect the revised market risk framework introduced in Minimum capital requirements for market risk in January 2019. The revised disclosure requirements come into effect on 1 January 2023.

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

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**11/11/2021** The BCBS publishes standards on the voluntary disclosure of sovereign exposures. The implementation of these templates are only mandatory when required by national supervisors. The definitions used in the templates are consistent with the Basel Framework to be effective as of 1 January 2023.

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

## Climate Risk

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

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**03/11/2021** The IFRS Foundation Trustees announces the creation of a new standard setting board, the ISSB, to meet the demand on reliable and comparable reporting on climate and ESG matters. They also published prototype climate and general disclosure requirements.

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

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**16/11/2021** The BCBS consults on principles for the effective management and supervision of climate-related financial risks. The consultation runs until 16 February 2022.

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

## IORP II

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

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**26/11/2021** The EIOPA publishes a methodological framework for stress-testing IORPs which presents a set of standard approaches, practical rules and possible methodologies to support the design phase and the management of future IORP stress test exercises.

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

## IFRS

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

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**08/11/2021** The EFRAG publishes a DCL in response to the IASB request for information as part of the PIR of the classification and measurement requirements of IFRS 9 Financial Instruments. Comments on the DCL are requested by 14 January 2022.

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

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**10/11/2021** Three webcasts explaining the proposals set out in the Exposure Draft Subsidiaries without Public Accountability: Disclosures are now available. The IASB is seeking feedback on the proposals until 31 January 2022.

See [the related webcasts](#).

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**19/11/2021** The IASB proposes narrow-scope amendments to IAS 1 to improve information companies provide about long-term debt with covenants. The exposure draft is open for comment until 21 March 2022.

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

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**23/11/2021** The European Union publishes a Commission Regulation endorsing IFRS 17 'Insurance Contracts', albeit with an exemption regarding the annual cohort requirement.

See [the related Commission Regulation](#).

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**26/11/2021** The IASB publishes for comment proposed changes in disclosure requirements to enhance the transparency of supplier finance arrangements. These proposals would amend IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The Exposure Draft Supplier Finance Arrangements is open for comment until 28 March 2022.

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

## Others

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

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**09/11/2021** The EBA publishes guidelines on recovery plan indicators in the framework of the BRRD.

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

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**18/11/2021** The EBA and the ESMA consult on Guidelines on common procedures and methodologies for the SREP of investment firms. The EBA also consults on draft RTS on the additional own funds requirements that could be determined by competent authorities for investment firms. The consultations run until 18 February 2022.

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

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**22/11/2021** The FSB issues a statement to support preparations for LIBOR cessation by the end of this year.

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

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**22/11/2021** The EC consults on whether the Mortgage Credit Directive remains fit for purpose. The consultation runs until 28 February 2022.

See [the related EC consultation](#).

## List of acronyms used in this issue

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

BCBS	Basel Committee on Banking Supervision
BRRD	Directive 2014/59/EU (Bank Recovery and Resolution Directive)
CCP	Central Clearing Party
CIU	Collective Investment Undertaking (see CRR/CRD)
CRD	Directive 2013/36/EU (Capital Requirements Directive)
CRR	Regulation 2013/575/EU (Capital Requirements Regulation), amended by Regulation 2019/876/EU (CRR 2)
DCL	Draft Comment Letter
EBA	European Banking Authority
EC	European Commission
EFRAG	European Financial Reporting Advisory Group
EIOPA	European Insurance and Occupational Pensions Authority
EMIR	European Markets Infrastructure Regulation
ESG	Environmental, social and governance
ESMA	European Securities and Markets Authority
EU	European Union
FSB	Financial Stability Board
G-SIB	Global Systemically Important Bank
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard
IORP	Institutions for Occupational Retirement Provision
IRB	Internal-Ratings Based
IRRBB	Interest Rate Risk in The Banking Book
ISSB	International Sustainability Standards Board
IT	Information technology
ITS	Implementing Technical Standards
LGD	Loss Given Default
LIBOR	London Interbank Offered Rate
MMF	Money Market Fund
OJ	Official Journal
OTC	Over the counter
PIR	Post-Implementation Review
RTS	Regulatory Technical Standards
SREP	Supervisory Review and Evaluation Process

## About Reacfin

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