

# RegWatch newsletter – March 2022

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## This month's News

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### CRR/CRD

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**10/03/2022** The EC adopts a Delegated Regulation with regard to RTS specifying how to determine the indirect exposures to a client arising from derivatives and credit derivatives contracts where the contract was not directly entered into with the client but the underlying debt or equity instrument was issued by that client.

See [the related Delegated Regulation](#).

**17/03/2022** The EBA issues an opinion following the notification by the NBB of its intention to activate a new SyRB. The measure is introduced in light of the macroprudential risks related to the substantial level of systemic risk in banks' mortgage portfolios and the related financial system vulnerabilities. The EBA does not object to the introduction of the measure.

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

**18/03/2022** The EBA publishes its revised Guidelines on common procedures and methodologies for the SREP supervisory stress testing.

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

**18/03/2022** The NBB maintains countercyclical capital buffer for financial institutions at 0% for the second quarter of 2022.

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

**18/03/2022** Commission Delegated Regulation (EU) 2022/439 containing RTS on the specification of the assessment methodology for competent authorities regarding the compliance of an institution with the requirements to use the IRB approach is published in the OJ of the EU.

See [the related Regulation](#).

**21/03/2022** The EBA publishes its final draft RTS on PDs and LGDs for default risk model for institutions using the new IMA under the FRTB.

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

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**29/03/2022** The royal decree approving the regulation of the NBB on a core tier 1 capital buffer for the systemic risk related to retail exposures to natural persons secured by a residential property located in Belgium is published in the BOG.

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

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## Solvency II

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**23/03/2022** The NBB publishes a Circular transposing the EIOPA guidelines regarding the ORSA, together with clarifications and good practices regarding stress tests and sensitivity and scenario analyses.

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

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**23/03/2022** The NBB publishes a Circular on liquidity risk management. This circular sets out the Bank's expectations regarding the framework for managing the expected liquidity risk.

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

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**31/03/2022** The EIOPA submits the draft amendments of supervisory reporting and disclosure requirements. The amendments will ultimately lead to a better protection of policyholders, reduction of reporting costs and better use of the principle of proportionality.

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

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## Climate Risk

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**02/03/2022** The EBA recommends adjustments to the proposed EU Green Bond Standard as regards securitisation transactions.

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

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**07/03/2022** The EC launches a survey to study the feasibility and features of a potential EU ESG benchmark label. The survey runs until 8 April 2022.

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

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**09/03/2022** The EC adopts a Delegated Regulation amending the Taxonomy Climate Delegated Act as regards economic activities in certain energy sectors and the Taxonomy Disclosures Delegated Act as regards specific public disclosures for those economic activities.

See [the related Delegated Regulation](#).

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**25/03/2022** The ESAs update their joint supervisory statement on the application of the SFDR. This includes a new timeline, expectations about the explicit quantification of the product disclosures under Article 5 and 6 of the Taxonomy Regulation, and the use of estimates.

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

## MiFIR/MiFID

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**15/03/2022** The ESMA publishes its assessment and recommendations on the EC's MiFIR review proposal.

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

**28/03/2022** The ESMA proposes amendments on the review of transparency requirements under MiFIR. These amendments aim to clarify, improve and simplify the transparency regime for equity and non-equity instruments.

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

## IFD

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**09/03/2022** Commission Implementing Regulation 2022/389 was published in the OJ of the EU. It lays down ITS for the application of the IFD with regard to the format, structure, content lists and annual publication date of the information to be disclosed by competent authorities.

See [the related Regulation](#).

## IFRS

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**24/03/2022** The IFRS Foundation publishes IFRS Accounting Taxonomy 2022, including changes resulting from IFRS 17 amendments issued in December 2021 : "Initial Application of IFRS 17 and IFRS 9—Comparative Information".

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

**31/03/2022** The ISSB consults on its first two proposed standards. One sets out general sustainability-related disclosure requirements and the other specifies climate-related disclosure requirements. The consultation runs until 29 July 2022.

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

## Others

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**04/03/2022** Commission Implementing Regulation (EU) 2022/365 is published in the OJ of the EU, amending Implementing Regulation (EU) 2018/1624 laying down ITS with regard to procedures, standard forms and templates for the provision of information for the purposes of resolution plans for credit institutions and investment firms pursuant to the BRRD.

See [the related Implementing Regulation](#).

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**10/03/2022** The EBA publishes phase 1 of its 3.2 reporting framework which covers the new reporting requirements that include the amendments to the following supervisory reporting frameworks: COREP on own funds, ALMM, NSFR, asset encumbrance, G-SII reporting and Investment Firms. The new reporting requirements are expected to apply from December 2022.

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

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**28/03/2022** The ECB publishes its policies outlining how it exercises options and discretions when supervising banks.

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

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**29/03/2022** The NBB publishes two circulars on recovery plans. The first one provides guidelines for credit institutions. The second one provides guidelines on simplified obligations for recovery plans.

See [the first NBB Circular](#).

See [the second NBB Circular](#).

## List of acronyms used in this issue

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ALMM	Additional Liquidity Monitoring Metrics (see CRR)
BOG	Belgian Official Gazette
BRRD	Directive 2014/59/EU (Bank Recovery and Resolution Directive)
COREP	Common Reporting Framework
CRD	Directive 2013/36/EU (Capital Requirements Directive)
CRR	Regulation 2013/575/EU (Capital Requirements Regulation), amended by Regulation 2019/876/EU (CRR 2)
EBA	European Banking Authority
EC	European Commission
ECB	European Central Bank
EIOPA	European Insurance and Occupational Pensions Authority
EMIR	European Markets Infrastructure Regulation
ESA	European Supervisory Authorities
ESG	Environmental, social and governance
ESMA	European Securities and Markets Authority
EU	European Union
FRTB	Fundamental Review of the Trading Book
G-SII	Globally Systemically Important Institution
IFD	Directive (EU) 2019/2034 (Investment Firms Directive)
IFRS	International Financial Reporting Standard
IMA	Internal Model Approach
IRB	Internal-Ratings Based
ISSB	International Sustainability Standards Board
ITS	Implementing Technical Standards
LGD	Loss Given Default
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
NBB	National Bank of Belgium
NSFR	Net Stable Funding Ratio
OJ	Official Journal
ORSA	Own Risk and Solvability Assessment
PD	Probability of Default
RTS	Regulatory Technical Standards
SFDR	Sustainable Finance Disclosure Regulation
SREP	Supervisory Review and Evaluation Process
SyRB	Systemic Risk Buffer

## About Reacfin

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



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