

RegWatch newsletter – February 2024

Catherine Chatelain (catherine.chatelain@reacfin.com), Elena Atienza Y Rubio (elena.atienza@reacfin.com)

This month's News

Go to | [\[CRR/CRD\]](#) | [\[MiFIR/MiFID\]](#) | [\[Climate Risk\]](#) | [\[FRTB\]](#) | [\[IFRS\]](#) | [\[Acronyms List\]](#)

CRR/CRD

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

14/02/2024 The NBB issues Circular NBB_2024_03 / Diversity which transposes EBA Guidelines 2023/08 of 18 December 2023 introducing new reporting obligations on diversity practices for credit institutions and stockbroking firms.

See [the related NBB Circular](#).

19/02/2024 The ECB publishes its final revised guide to internal models, covering general topics, credit risk, market risk and counterparty credit risk. The revision accounts for climate-related risks, details requirements for common definitions of default, counterparty credit risk, default risk in the trading book and how to return to standardised approach.

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

20/02/2024 The EBA consults on two sets of draft RTS and one ITS regarding the new framework for the business indicator for operational risk as part of the implementation of the EU Banking Package. The consultation runs until 21 May 2024.

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

20/02/2024 The EBA consults on two drafts ITS amending Pillar 3 disclosures and supervisory reporting requirements for operational risk to implement the Basel III reforms in the EU. The consultations run until 30 April 2024.

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

29/02/2024 The Basel Committee approves revisions to Core principles for effective banking supervision and will consult on potential measures to address window-dressing behaviour by some banks in the context of the framework for G-SIBs.

See [the related Basel Committee press release](#).

MiFIR/MiFID

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

13/02/2024 The ESMA issues a Public Statement clarifying the reporting requirements under RTS28, pending full application of the new rules under MiFID II.

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

20/02/2024 The EC adopts new rules to strengthen market data transparency in the framework of the MiFIR/MiFID review. The aim of the new rules is to empower investors, in particular by making consolidated market data easily available at EU level.

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

Climate Risk

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

05/02/2024 The European Parliament and the European Council reach a provisional agreement on a proposal of rules regarding ESG ratings. The rules aim to introduce a common regulatory approach to enhance the integrity, transparency, responsibility, good governance, and independence of ESG rating activities, contributing to the transparency and quality of ESG ratings.

See [the related European Parliament press release](#).

FRTB

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

01/02/2024 The EBA consults on draft technical standards on residual risk add-on hedges under the FRTB. These RTS are part of the Phase 1 deliverables of the EBA roadmap on the implementation of the EU banking package in the area of market risk. The consultation runs until 3 May 2024.

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

IFRS

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

05/02/2024 The IASB Technical Staff introduces IFRS 18 Presentation and Disclosure in Financial Statements in a webcast. IFRS 18 is expected to be issued in April 2024.

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

List of acronyms used in this issue

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

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
ESG	Environmental, social and governance
ESMA	European Securities and Markets Authority
EU	European Union
FRTB	Fundamental Review of the Trading Book
G-SIB	Global Systemically Important Bank
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard
ITS	Implementing Technical Standards
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
NBB	National Bank of Belgium
RTS	Regulatory Technical Standards

About Reactfin

We develop **sustainable actuarial, quantitative financial and AI for Finance solutions** in partnership with our clients (from **design and modeling** to **operationalization** in their systems), building on **strong data analytics** while securing **full transparency** and **integral knowledge transfer**.



Reactfin is the reliable bridge between academic excellence and market best practices.

The company started its activities in 2004 as a spin-off of department of UCLouvain School of Statistics, Biostatistics and Actuarial Science.

In its early days, we focused on actuarial consultancy services for Belgian Pension Funds, Insurance Companies and Mutual organizations. Rapidly, in the following years, we expanded our business internationally and broadened our scope of services to Risk Management, Quantitative Finance, Portfolio Management and Data Analytics for Financial Institutions in the broader sense (i.e. Insurers, Banks, Asset Managers, Pension Funds, Financial Market Infrastructures and Regulators).

Based in Louvain-la-Neuve (Belgium), Reactfin employs today more than 25 consultants most of which hold PhD's or highly specialized university degrees.

Over the years, we have now served in excess of 150 different financial institutions, the vast majority of which are recurrent clients, which we see as the most convincing indicator of our clients satisfaction.

Missions we regularly perform consist of models design, developments & deployment, model validations, definition of risk- & portfolio management policies, organization & governance advisory, strategic asset allocations or specialized management consulting with regard to Risk & Portfolio management problems.

We articulate our offer along 3 brands:



We offer consulting services in actuarial science & quantitative finance, including a.o. capital - portfolio - product - risk - and liquidity - management. We build our expertise on broad data analytics capacities.



We develop solutions in partnership with our clients, i.e. we integrate our solutions in our client's systems and processes and we secure full knowledge transfer (e.g. open source code).



We share our knowledge with our clients. We offer a comprehensive learning platform, including on-site trainings, e-learning modules, webinars etc.

For more information, please visit our website www.reactfin.com or contact our managing partner:



Xavier Marechal

Tel: +32 497 48 98 48

Mail : xavier.marechal@reactfin.com